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"China is once again at a historic turning point. The crises faced by the Communist regime are much more serious than they were on the eve of the Tiananmen movement, and the regime's ability to resolve them is much weaker."

Tiananmen and the Future of China

BY LIU BINYAN

On June 4, 1989, 40 years after the founding of the People's Republic of China and 10 years into Deng Xiaoping's economic reforms, a series of mass demonstrations culminated in confrontation and massacre at Beijing's Tiananmen Square. There had been smaller-scale protests in Beijing in 1976, but they were directed at the leaders of the Cultural Revolution; those of 1989 targeted the Communist party itself.

Deng had originally launched his ambitious reform program in the face of impending economic collapse in 1979. Yet after a decade of reforms, there was more opposition to his government than ever, indicating that the reform program had done little to solve the problems it was supposed to. In fact, the problems were even worse than they had been before any reforms had been instituted.

Deng had begun his economic reforms in the countryside, which is where they enjoyed their greatest success. Loosening the bonds of the "people's communes" set up by Mao Zedong two decades previously, they liberated 800 million peasants from a system of agricultural semislavery and gave them not only mobility but the freedom to farm a piece of land for themselves. Within a short time hunger was alleviated and peasant income rose. But by 1985 agricultural

production had begun to stagnate as land was divided into ever-smaller parcels that peasants were still not given the right to own; moreover, the pace of urban economic reform had slowed as well. It was also in 1985 that the Communist regime withdrew the limited press freedoms that Chinese journalists had struggled so hard to achieve; intellectuals, entrepreneurs, and government officials who had supported the reforms now found themselves under attack. All this happened because Deng had once again found it necessary to cater to hard-liners in the party. By the end of 1986, however, mass discontent with official corruption, inflation, and rigid ideological controls led to student demonstrations in a dozen major cities.

FEAR AT THE HELM

A comparison of the periods between 1986 and 1989 and 1989 and 1994 is helpful in understanding China's current situation as well as its future. Deng's response to the student movements at the outset of each period was the same: suppress them. On both occasions he joined the hard-liners in opportunistically blaming the mass protests on the leaders of the liberal wing of the party, dismissing then-General Secretary Hu Yaobang in 1987 and dumping Hu's successor, Zhao Ziyang, in 1989. He purged the liberal intellectuals and supporters of reform in the party after both movements, although the repression and purges that followed the 1989 Tiananmen demonstrations were far more brutal than those of 1987. Deng's use of the military to carry out a large-scale massacre in the capital itself was a step that no other ruler in Chinese history—including Mao Zedong—had taken.

Deng took this step because, far more than in 1979, he felt himself in danger of being overthrown. It is hard to say whether it was the demonstrations that spread to 200 or 300 cities and towns throughout China in May

LIU BINYAN served as a special correspondent for the Chinese Communist party newspaper *Renmin ribao* from 1979 to 1987. While at the paper Liu became well known for his investigative reporting on corruption in the party. He was expelled from the party in 1987. He is presently serving as chairman of the executive committee of the Princeton China Initiative. A collection of his essays has been published as *China's Crisis, China's Hope* (Cambridge, Mass.: Harvard University Press, 1990). This article was translated from the Chinese by David M. Kamen.

and June 1989 that frightened him so, or if it was the serious disputes that arose among high-level party and military leaders as to how to deal with the protests. But in either case it was fear that accounts for the striking difference in the policies and tactics adopted by the regime during the 1987–1989 and the 1989–1994 periods.

After the 1986 protests, a movement to “Oppose Bourgeois Liberalism” was launched throughout China (it was actually the third such movement, following those of 1981 and 1983), but it lasted only four months and petered out in May 1987. The dozen or so intellectuals who were purged had their party memberships revoked and were put under police surveillance for a short time. None were actually arrested, and their right to engage in normal activities was restored a short time later. Meanwhile Zhao Ziyang went on to announce an expansion of press freedoms at the thirteenth party congress that September. Elections at all levels of the National People’s Congress as well as to the party Central Committee were more democratic in their procedures than before. There were steady (albeit circumscribed) reforms of the political system during the 1987–1989 period, and new press freedoms reached a peak at that time. None of this could have happened without Deng’s approval.

The aftermath of the 1989 protests was very different. Besides the massacre of at least 500 people in Beijing, dozens of people in other provinces were executed for “rioting.” Thousands more were arrested; many were sentenced to prison terms ranging from 3 to 15 years. Whether they were simply detained or sent to prison, these people were almost universally deprived of their original jobs on release and were often harassed or found obstacles placed in their way when they tried to start enterprises of their own to support themselves. Even today, five years later, the political pressure has not let up. Although, for example, many more newspapers are being published and their themes and content have become more diverse, they are still forbidden to engage in the kind of wide-ranging political discussion and reporting on corruption and abuses that they had before Tiananmen.

From this it can be seen that although Deng and his group had been willing to risk gradual political liberalization during the 1987–1989 period in order to win back popular support and buy political stability, they no longer had the courage and self-confidence to do so after 1989. Deng’s new policy was instead to win social and political stability by using rapid economic growth to materially improve people’s lives. He has achieved this goal, albeit temporarily and only in part.

For some time after the repression of June 1989, many Chinese dissidents persisted in believing that the regime’s days were numbered, and that major political changes were inevitable in two or three years. They did not anticipate the complete collapse of the Communist

regime, but the gradual replacement of the hard-liners by liberals within the party and the consequent return to the more open political conditions of the 1987–1989 period. These predicted changes failed to materialize, due in large part to two factors that the dissidents could not have foreseen: the provisional success of Deng’s new rapid-growth economic policy, and the political collapse and social chaos in Eastern Europe and the former Soviet Union.

THE IRONY OF TIANANMEN

Strangely, it was the ghost of the Tiananmen movement the Deng regime had murdered that enabled the Chinese Communists to sidestep collapse in the early 1990s. Largely as a result of ill-considered reforms in the price system, China in the summer of 1988 suffered its worst inflation since 1949, which set off panic buying, bank runs, and nationwide social upheaval. Antireformists in the party blamed Zhao Ziyang for the disorders, adding these to his lengthening catalog of sins. They forced Deng to agree to a retrenchment of the economy and a halt to the reforms under the slogan of “Controlling the economic environment and consolidating the economic order.”

After the failure of the Tiananmen movement, this policy succeeded all too well, throwing the state-centered economy into a tailspin, causing thousands of factories to go bankrupt and throwing more than 30 million people out of work. With the Tiananmen protests fresh in their minds, and fearing that these workers might take to the streets and create a crisis far more serious than Tiananmen, the regime began to gradually deemphasize economic austerity and resume the path of reform.

This change in course is what eventually saved Deng Xiaoping. The hard-liners used the Tiananmen protests to further their own schemes; having crushed the Tiananmen movement and forced Zhao to step down, they began to show that their ultimate objective was to strike at Deng and his reforms. In their open attacks on Zhao after June 4, much of what the hard-liners criticized Zhao for having said had originally been articulated by Deng himself! The fact that even Jiang Zemin, who as party general secretary had been Deng’s creation all along, went over to the hard-liners’ side in this confrontation is a good illustration of the hard-liners’ arrogance and Deng’s weakness at the time. As the political climate gradually changed, however, reflecting the relaxation of austerity measures and new economic growth (to the hard-liners’ discredit), Deng was finally able to restore his stature through strenuous political fence-mending. In speeches during a tour of southern provinces in early 1992, he pandered to provincial and local government officials in a bid to gain their support, touting the rewards of rapid economic growth and criticizing the “extreme leftism” of the hard-liners.

THE COMMUNIST-APPROVED OPIATE OF THE MASSES

The five years since June 4, 1989, have been a condensed and intensified replay of the previous decade's history. From 1979 to 1989, there had been intermittent and sporadic concessions to political reform, as well as attempts at or spontaneous occurrences of press freedom that were never formally legalized; all these vanished after June 1989. Pessimism about China's future had been growing among the Chinese people before then, and they had very little confidence in the Communist regime; their last hopes died with the echoes of the June 4 gunfire.

Strangely enough, China's rapid economic growth since 1992 has to a certain extent been driven by the despair of the Chinese people and some party cadres. Since the June 4 massacre, they have felt that this regime is even worse than what they had come to hate and revile. In their eyes, the failure of the Tiananmen movement proved that they are unable to rid themselves of it and the consequent hopelessness of China's situation. They can also see that the regime is incapable of controlling the country, which inevitably means more disorder in the future, especially after Deng dies. Under these circumstances, they want to take advantage of any opportunity to improve their lives before the disorders engulf them. Deng's exhortations for rapid economic growth have thus found an even more receptive audience among people disillusioned with politics and anxious to throw themselves into commercial activity.

Some compare this movement of Deng's with Mao's "Great Leap Forward" of thirty-odd years ago. Both were certainly characterized by the same kind of unscrupulousness and disregard of cost or consequences. The difference between them is that during Mao's time, all the wealth created went to the state (regardless of how much of it was genuine), while under Deng a great part of the wealth that has been amassed over the past four decades and more (as well as that recently created) has fallen into private hands. Bureaucrats and people with connections to the regime, knowing that time is short (until either Deng's death or yet another policy change), are madly scrambling to get their share of state wealth. Even those without opportunities to invest in stocks and real estate are turning their daily employment as government functionaries into a source of loot. Over the last few years, the amount of wealth that has flowed out of China has equaled the amount of foreign investment capital that has flowed in. Corruption at all levels is open and systematic, if not codified. Everything can be bought and sold—official posts, prison terms, even AIDS examination certificates for foreigners entering China. In the face of this ubiquitous corruption, people naturally develop an attitude of cynicism that says, "If you can profiteer, why shouldn't I?" The corruption

that had originally been the exclusive province of the state has tainted China's entire social structure.

For a time during the last two years, Chinese in coastal cities had the illusion that everyone could make money and get rich. Deng Xiaoping, meanwhile, was living under another illusion: that all he had to do was keep boosting the economy and China would stay stable. But even in the coastal cities there are plenty of people whose lives have not improved, such as workers at state-owned enterprises, intellectuals unable to find a second job, and government employees in nonfinancial functions. At the same time, with the rapidly widening gaps between haves and have-nots, between city and countryside, and the growing unscrupulousness of the very rich, even those with expanding incomes are still discontented, while those with falling incomes are becoming more and more resentful.

China lacks the traditions of democracy and freedom, but its traditions of social fairness are nevertheless strong and extensive. During almost 30 years of Mao's rule, traditional Chinese ideas of social equality blended with those of utopian socialism and became systematized. With its positive revolutionary associations, the resulting egalitarianism became firmly implanted in the psychology of the Chinese people; as a result they are ill-equipped to deal with the glaring inequities now proliferating so rapidly in China.

In early 1993 the Communist leadership suddenly woke up to the fact that the peasantry was on the verge of open rebellion. Repeated warnings were sent to all levels of government that the peasants' burden needed to be reduced; the peasants' heaviest burdens had, however, already become part of the system itself. District authorities were unloading their fiscal difficulties onto the backs of the peasants by buying agricultural products with paper scrip instead of cash, and by forcing peasants to make "contributions" under a variety of pretexts when local governments were short of funds. Moreover, because the peasants were less able to defend themselves than city-dwellers, corrupt bureaucrats and cadres at the grassroots level were emboldened to make greater demands on them. The price of farm equipment rose continuously, while prices for agricultural products remained low, making it difficult or impossible to make any profit from planting grain or cotton. As a result, many peasants have given up farming entirely, and more and more fields are being abandoned in a country that is short of arable land to begin with. As many as 100 million peasants are now wandering throughout China, looking for opportunities to support themselves in the cities.

Also in 1993, just as the regime was starting to pay more attention to the peasants' problems and the peasants were clashing more frequently with the authorities, strikes and street demonstrations by factory workers began spreading, eventually affecting 10 provinces. With more than 80 percent of state-owned enterprises

losing money, the government could no longer bail them out, which resulted in massive unemployment among their workers. Those who still have jobs are suffering major pay cuts, and workers whose pay is more than six months in arrears outnumber those who are unemployed by a factor of 10.

Thus, five years after the Tiananmen movement was crushed, the Communist regime is more tense than ever. With the exception of a few large cities such as Beijing, Shanghai, and Guangzhou, the Chinese people feel that the situation looks more and more like the eve of Tiananmen. Inflation has already surpassed its 1988 record highs; corruption has spread through party and government organs and is much more serious than it was in 1989. And the unequal distribution of resources in society, which already existed in 1989 but was not mentioned in the slogans of the Tiananmen movement, now incurs at least as much popular wrath as does corruption.

What most concerns the Communist regime, however, is that the main actors in the next "Tiananmen movement" will no longer be students but workers, and that this time the peasants could genuinely become the "comrades in arms" of the working class.

Memories of the Cultural Revolution and the destruction it wrought are still fresh among the Chinese. For the past five years the regime has constantly tried to cow them by saying that, since any mass antigovernment movement will lead to the same sort of social upheaval and disorder, "social stability must be maintained" under the leadership of the party. The drastic changes that took place in Eastern Europe and Russia after 1989 frightened the Chinese Communists tremendously, although many of the common people at first found them a source of great encouragement. The disorders and economic hardships plaguing those countries, however, have made the Chinese more appreciative of China's own relative stability and economic growth. (This is the second change that the dissidents failed to foresee in their overly optimistic assessment of the situation in China in 1989.)

BLIND TO THE CULTURAL REVOLUTION'S LESSONS

Looking back over the past few decades of China's history reveals a strange phenomenon. On taking power in 1949, the Communists immediately set about strangling Chinese society and extending the regime's tentacles into every aspect of Chinese life. All spontaneous expression, even if it had nothing to do with politics, was strictly forbidden. But in April 1976, with no organization or publicity, more than a million Chinese citizens managed to gather in Tiananmen Square over a period of several days to express their discontent with the Gang of Four, the Cultural Revolution, and Mao Zedong. The 1989 Tiananmen movement also arose spontaneously and on an even larger scale.

North Korea, with a similar historical and cultural background, and whose political system and harsh economic conditions are nearly identical to those of China, has nevertheless not produced anything like the Tiananmen movement. A crucial reason for this may be that among Communist-ruled nations, China is unique for having undergone the convulsions of a Cultural Revolution. During that 10-year period, Mao allowed the Chinese people some temporary political freedoms and went so far as to suspend the activities of the Communist party's organizations for nearly five years. At the same time, Mao carried his contrarian political thought to a peak of absurdity that pushed the Chinese people down a political and economic blind alley. This forced them into an awakening unprecedented in several thousand years of China's history and changed their attitudes from passive obedience to skepticism and resistance. It simultaneously destroyed the integrity, cohesion, and strength of the once-monolithic Chinese Communist party.

Deng Xiaoping cannot tolerate the participation of an awakened and vigorous Chinese people in the process of reform. People are still prevented from creating their own organizations, and are not allowed to propagate or discuss progressive ideas. The steadily worsening social crisis of the 1980s has only stirred their anger, hatred, and desire for change. The explosion of 1989 could have been predicted as early as 1985, but there was never an opportunity for the organizational or ideological preparations that would have allowed the nascent mass movement to develop in a healthy manner.

INTELLECTUAL ABDICATION AND STUDENT MYOPIA

In hindsight, it is clear that this is what led to the 1989 Tiananmen confrontation.

An important reason for that movement's failure was the alienation and remoteness of the Chinese intelligentsia from the common people. Their initial delay in perceiving the approach of the crisis in Chinese society left them ill-prepared for the events that followed; unable to provide the movement with the theoretical and strategic underpinnings it needed, they could not step forward to lead it, as had their counterparts in Eastern Europe and Russia.

The intellectuals' abdication effectively put responsibility for the fate of the Tiananmen movement into the hands of university students. The movement was led in its early stages by an autonomous organization of students from institutions of higher learning throughout Beijing. These were students who had already participated in internal democracy movements on their own campuses, and who were directly influenced by people who had taken part in the various public democracy movements that had occurred between 1976 and 1986. They were more aware of the complexities of Chinese politics, more mature in their tactical

approach to the struggle, and more moderate in their political thinking than some of the younger partisans in the movement. Unfortunately, after May 13, the movement's leadership was taken over by a radical student minority who defied the student organization and pushed ahead with a hunger strike. The student leaders of the "Tiananmen Square Student Hunger Strikers Steering Committee" were political neophytes who had no experience of previous democracy movements and who to a large extent had become involved in this movement by chance. Their ignorance of the realities of Chinese society, their irresponsibility, and the thirst for celebrity of some personalities among them made them vulnerable to political extremism (which, they were shrewd enough to see, was the easiest way to get the attention and support of the students in Tiananmen Square).

The radicals opposed and disrupted negotiations between the student representatives and the government on May 14, resulting in the loss of a historic opportunity to peacefully resolve the situation. On May 28, they ignored a decision by the Beijing Citizens' Committee that the students withdraw from the square by then, thereby giving the hard-liners a pretext to go ahead with their own massacre plots. After June 4 the most radical student leaders managed to flee the country while their more responsible colleagues, who had put immense effort into organizing the strategy of the struggle, ended up being arrested and sent to prison. Those who have been released up to now have refused to leave the country and insist on remaining in China to continue the struggle. It is they who are making the most conscientious efforts to learn from the debacle, while for the past five years, the radicals have consistently refused to reexamine the history of the movement or face up to their own mistakes. Yet American politicians continue to see them as the heroes of Tiananmen and the Chinese democracy movements overseas.

Now China is once again at a historic turning point. The crises faced by the Communist regime are much more serious than they were on the eve of the Tiananmen movement, and the regime's ability to resolve these crises is much weaker. Deng Xiaoping's death will deprive the regime of the last person who can force the party and the military to maintain a superficial unity. General Secretary Jiang Zemin is one of the least authoritative members of the Chinese leadership; he does not have a single positive trait in ability, political accomplishment, moral character, or experience. Deng has festooned him with party, government, military, and national titles (even more than Mao held), which are that much harder for him to live up to, and make him that much more easily challenged as well.

On the fifth anniversary of June 4, the complete transcript of a speech Zhao Ziyang gave in his own

defense at a politburo meeting five years ago suddenly surfaced in *Xin Bao*, a highly respected Chinese-language newspaper in Hong Kong. This is an important signal; clearly leaked by a faction sympathetic to Zhao, the document's release was carefully timed to coincide with the fifth anniversary of Tiananmen and Deng's final decline in order to provide Zhao with the greatest possible advantage in the coming struggle for succession.

Zhao's speech exposes the high-level power struggles that occurred inside the Communist leadership during the Tiananmen movement. Zhao supported the demands of the students and citizens of Beijing for democracy and the rule of law, and attacked corruption and bureaucratic opportunism; he worked for a peaceful solution to the conflict between the regime and the students, opposing the use of military force to suppress them. The hard-liners prevailed, however; accusing Zhao of "supporting insurrection" and "splitting the party," they impeached him illegally. People concerned about China's future now predict that after Deng's death, the various factions in the government will each claim credit for resolving the Tiananmen crisis in order to strengthen their own political positions. Zhao's speech reveals what was really going on, as well as how right his response to the Tiananmen situation was and how wrong was that of Deng Xiaoping and Li Peng.

Like Deng, Zhao was interested only in economic reform before 1986. When he became general secretary in 1987, he began preliminary reforms of the political system and met with some success. Ever since Mao, successive party secretaries or other leaders were forced to publicly criticize their own "errors" when they were purged, even if they had good records; Zhao was certainly the first to refuse to do so. All of this will win him points in the next round of power struggles. Perhaps Zhao Ziyang's greatest current advantage is that, if restored to leadership, he is widely viewed as being able to help China more smoothly weather the shock that Deng's death will inevitably cause. Compared to Jiang Zemin, Zhao is certainly more acceptable by the regime, the people and the international community.

AFTER DENG

But the fact remains that neither Zhao Ziyang nor any other Communist leader can be anything more than a transitional figure after Deng's passing. The enormous and complex social changes that will mark the transition to the next era will probably exceed the ability of any of the present Communist leaders to handle them.

The disintegration of Chinese society has already begun. For some time to come, no central political regime will be voluntarily accepted or obeyed by the majority of China's regions. Not only will provincial governments operate for their own benefit: every village

will become a fortress, and neighborhoods, clans, and associations will defy the law and put their narrow interests above those of the nation or society. Conflicts of interest between different neighborhoods or groups, like those between nations, will likely be resolved by violence (as has already been happening since the late 1980s); the civil wars that many people have again begun worrying about will probably not take place between provincial warlords as happened in the first half of this century, but rather between different counties, towns, or military units, or between the military and the police.

If people are given the freedom to assemble and organize, as many as several thousand political parties could simultaneously spring up in China (a similar phenomenon occurred at the beginning of the Cultural Revolution, although the various political organizations that arose at that time were not called "parties"). But for the period immediately following Deng's death, social conflicts present a greater potential for spawning chaos than do political conflicts. Political paralysis and the further dilution of legality will be an even greater spur to the spread of crime, which is already rampant. The shocking gaps between rich and poor and between city and countryside are allowing criminals to rationalize their depredations as a "redistribution of wealth" (and thus a service to society). People will take spontaneous and violent revenge on the most corrupt and venal bureaucrats and officials.

The most terrifying and tragic aspect of Chinese society today, the wound that will be hardest to heal, is the decline of the traditional sense of morality and ethics that once permeated the culture. Mao obliterated all standards of "bourgeois" and "feudal" morality, appropriating the things most precious and holy to the Chinese people as sacrifices to false and empty idealism, and suppressing the most normal personal needs in the service of an arid and hypocritical revolutionary puritanism. Once the Chinese people saw the bankruptcy of the Mao personality cult and the false values it preached, they lurched to the other, amoral extreme. Deng Xiaoping and his group, for their own political purposes, are encouraging the people to eschew political resistance and pursue personal profit, and are trying to make consumerism and hedonism into an all-embracing ideology. Loss of hope for the

future, dissatisfaction with the present, and hatred of the regime, combined with a drive to satisfy personal desires above all else, are creating a dangerously corrosive and antisocial atmosphere. People in mainland China have lost the traditional internal controls on their behavior (the uplifting functions of religion, morality, and education), and also lack external restraints (efficient and fair application of laws, credible government authority, and a healthy social environment); thus unregulated, the desires of the individual become paramount. Honesty and trust are already rare in relations between people; even in daily economic transactions, swindling and violence have become common.

But during the 40-odd days of the Tiananmen movement of 1989, the Chinese people displayed a glorious side of their souls. In a letter home, an American teacher expressed how she had been moved: "It seemed as if all the beautiful and stirring things in the Chinese spirit that we haven't seen for so long have suddenly blossomed again!" This should serve as an inspiration: when people are working together in a great task and find a common goal, when they see the hope of attaining that goal and moreover realize the strength they possess in common, they undergo a spiritual purification.

The transformation of Chinese society cannot be separated from the spiritual and moral renewal of the Chinese people; these two goals can only be reached through a long and gradual process of mutual interaction. During the past five years a group of Chinese intellectuals—apologists for the Communist regime and the status quo—has been suggesting that the Chinese people continue to be excluded from the political process, an idea which is not only absurd but also illusory. The awakened Chinese people would not accept an authoritarian political system like Singapore's, no matter how benevolent, nor would they be satisfied with a Western-style parliamentary democracy. For there to be hope for political reform, social stability, and progress in China, the people must be able to broadly participate in the political process. This is the only way, as they work to transform their society, that the Chinese people can also transform the spiritual alienation left by decades of Communism. Unless they succeed in this, China's future will truly be hopeless. ■

Five years after Tiananmen, how do the participants view their movement and what do they forecast for China's future? In the following edited transcript of a May 1994 discussion at the John Fairbank Center at Harvard University, five dissidents share their views on the 1989 democracy movement and China's political evolution.

Tiananmen and China's Future: The View Five Years Later

CHAI LING The 1989 movement was a complete, spontaneous, and independent mass movement. We wanted to restore the rule of law and end corruption; we wanted to get the Chinese government to respect the constitution. At that time we were also eager to build coalitions with and support the government. For example, we actively tried to get in touch with Deng Xiaoping himself, trying to get him to understand that we were not against him personally, but that reality had changed, a new generation was emerging; we had different value systems, different ideas about how the country should be governed.

Also, we were basically waiting for [party General Secretary] Zhao Ziyang to stand up, as Boris Yeltsin did later on; we knew that he was really on the people's side, would stand with the people, and at that time still had the chance to really make something work. Unfortunately, in '89, the hard-liners were able to quickly build a coalition [around] Deng Xiaoping. The reform forces were not able to build a strong coalition,

and I think that's why the '89 movement did not accomplish as much as we had wanted. . .

We all learned a lesson in '89; if there are no checks and balances, if there is no separation of powers, and if there are no laws, then sooner or later, the people's lives and the right to pursue happiness, freedom, and liberty will be taken away, will be abused. I think that is the root of China's human rights problems.

In the past five years the United States has tried to use its most favored nation trade status policy, under the pressure of public opinion, to improve China's human rights situation. I know—even though many people criticize Clinton's administration, saying that it is not effective, that it has been so bold, so risky right now. Being a student organizer, a participant in and survivor of the massacre, I appreciate the government; it has at least taken a step and tried; in terms of government, in times like this, one never knows how to respond, how to react.

I think it is most important for the Western countries trying to help China not only to try to negotiate or bring political prisoners out. Of course, that is very important. But they should try to help China evolve a mechanism of checks-and-balances. To this end, this year's MFN policy should include a bilateral human rights commission that would suggest that the Chinese side form a human rights commission in the National People's Congress; the American counterpart could be in the State Department or from Congress. Instead of using MFN as a bargaining chip to get a few political prisoners out and rescue more later, MFN could be used to help establish more routine communication and to try to give the National People's Congress more independence and influence over the government.

The West should also look beyond Deng Xiaoping. We see some encouraging signals that there are some new leaders, which the Western media has not paid much attention to.

The best policy is to help China restructure, to help China start constitutional reform. I think that would be the best way to help China peacefully move toward a democratic, constitutional society.

CHAI LING was a member of the Beijing Federation of Autonomous Student Unions and emerged as one of the principal student leaders at Tiananmen. She fled China in April 1990 and is currently living in Boston. SHEN TONG led the Olympic Institute, a political discussion group, at Beijing University and was also one of the principal student leaders at Tiananmen. YAN JIAQI, a prominent Chinese political scientist and member of the Chinese Communist party, became a leader of the Beijing Autonomous Federation of Intellectuals during the student demonstrations at Tiananmen. He later escaped to France and was elected head of the Paris-based Front for a Democratic China. GAO XIN was one of the four who signed the June 2 hunger strike proclamation, a former editor of the weekly newspaper of Beijing Normal University; today he is at Harvard's Fairbank Center. WANG JUNTAO was deputy editor-in-chief of the independent Economic Studies Weekly and a former central committee member of the Communist Youth League of China. Sentenced to a 13-year prison term for "reactionary" activities, he was released earlier this year because of health reasons; he is currently a visiting scholar at the Fairbank Center.

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SHEN TONG The 1989 student movement contributed to the decline of the current regime's power and therefore made sweeping change more possible than before. The nature of this change has yet to be determined. It partly consists of a wish list of political democracy and civil society in China. These are important because they will prepare the public for a certain range of political alternatives. But they are far from sufficient for transforming China in the desired direction.

Thinking about the future, the quality of the acting and potential elite—both Chinese intellectuals and political dissidents—becomes most important. Unfortunately, I think the quality is not very high.

[For example,] I have been deeply troubled when I reflect on the reactions to the 1989 movement of my colleagues inside and outside China. Some are so eager to forgive evil in the name of shallow patriotism and [forgo] a sense of responsibility. They choose to forget, asking others to do the same. Others take a pragmatic view of the possible destabilizing effects of remembering the evil of June 4. They judge it almost solely by the criterion of economic development.

When the utility principle becomes the standard, even when dealing with the memories of such an obvious evil, any preaching about democratic ideals will be, to say the least, unconvincing.

Another kind of forgetting is not due to intellectual dishonesty, but intellectual immaturity, such as a lack of critical knowledge of our own past. For example, I read an article by a very well-known and highly respected human rights activist, now living in exile. He wrote a brief history of the human rights struggle in China and in his article he said—here I quote—that “I want to use a sentence by Mao Zedong, who severely violated China's human rights, to describe the future of our human rights struggle: ‘The road is torturous but the prospects are bright.’ ” I can hardly imagine any Jewish writers who would quote Hitler to conclude their analysis of the Holocaust.

YAN JIAQI The basic topic that I'm going to discuss is the parliamentarization of the National People's Congress, a process that began with the student movement of 1989.

There are three kinds of parliaments. The first we could call a rubber-stamp parliament; members are appointed and they are not able to express their own opinions and vote according to their own ideas. The second kind has members who are appointed, but they can vote according to their own ideas. The third kind of parliament consists of members who are elected by the people and, of course, because they are elected by the people, they can vote according to their own wishes.

The National People's Congress of China has 3,000 members. Not one is elected; they're all appointed. How are they selected? One group is appointed and

that group appoints another bunch of people. [But] it's not really all that easy to make a rubber-stamp out of 3,000 people. There are three separate branches of the National People's Congress. The first branch is the entire body of the National People's Congress, that is, these 3,000 people. The second branch is the regional meetings of delegates—the Beijing delegates meet in one place, the Zhejiang delegates meet in another place, the Hunan delegates in another place. And the third branch is the standing committee of the National People's Congress.

The second branch is a body of delegates that can only discuss things but they are not able vote. The first branch is only able to vote but it can't discuss things. This is not really a joke and there is a precedent; Napoleon's parliament had branches like this; one was able to vote but not speak, another branch was able to speak but not vote.

With the 1989 student movement this rubber-stamp started to grow shaky. At that time the issue of having an emergency meeting of the standing committee was raised. (More than 50 signatures were obtained on a petition to call an emergency meeting.) The standing committee consists of 155 people; 78 signatures would have made it possible to call an emergency meeting. If such a meeting had been held, it was clear that because the students at Tiananmen were holding hunger strikes, Prime Minister Li Peng's martial law would have been rejected.

Thus, the massacre on June 4 actually had two purposes. The first purpose was to suppress the will of the people, the students, and the citizens. The second was to prevent the convening of the meeting of the standing committee. You can see that, for example, last year when there was a convening of the standing committee, 300 votes were against and abstained in the vote for Li Peng as prime minister. The resolution on building Three Gorges dam project received 800 negative votes.

This process could be called the parliamentarization of the National People's Congress. I think it's clear that democracy in China is going along this path. To make a real parliamentary system, however, we would have to have freedom of the press, freedom of assembly, and freedom to organize parties.

The historical development of China does not look like that of the United States or England. It looks more like France a hundred years ago. Of course, China has not reached the full-fledged stage like Napoleon III's Liberal Empire, but it is going in that direction—that is, parliamentarians cannot criticize the emperor, but there is more freedom of speech down below. And of course the economy is rapidly developing, and the standard of living is on the rise. With some minor differences, China will basically follow this path toward democracy.

In the future, when China [moves] toward democracy, there'll be lots of different parties. Perhaps Chai Ling will have one party and Wang Juntao will have another party. Everybody will have these parties that are competing, and they will have their elected members of parliament. And they will reform the constitution. Surely the first item on the reform of the constitution will be to abolish the four [socialist] principles. Not only will they be transforming the old constitution, but they will need to make a new one, to solve the problems of Taiwan and Tibet.

This is the way that democracy is going to develop in China. It will not necessarily be smooth going; there will be a lot of struggle, and there could be a lot of turmoil and explosive incidents. Struggle between different factions might occur—even more vehement struggles than we have among overseas Chinese. But I think it will move in this kind of stage-by-stage, step-by-step fashion toward democratization, and that the China of the future will be a very strong and powerful China.

In conclusion I just want to say that I think that the significance of the student movement of 1989 is tremendous. It fundamentally changed China's historical direction. We do need to remember the people who died and remember what happened five years ago, but we also [need to look] toward the future; we should have great confidence that the future of China is very bright.

GAO XIN There will never be another June 4 in China. As a way of explaining what I just said, I want to define the June 4 movement in a simple way. [It] was a movement of resistance brought on by radical students. The intellectuals played a catalytic role in the process. We happen to have representatives from all of these realms right here: two students and also [representatives from] the academic world and society—I am representing society.

When I said that there will be no June 4 again in China: I don't mean that there will be no more mass protest movements in the future in China. I mean that they won't take this form; they won't be started by students. It will be the people in society [not just intellectuals] who will be engaging in reform activities—primarily from the economic standpoint. They will lead and spearhead this mass protest. . .

WANG JUNTAO What is the meaning and the role of the June 4th movement on the general political development of China? This movement signals the end of the Deng Xiaoping era—just as the April 5th

movement in 1976 signaled the end of the Mao Zedong era. I do not mean to say that Deng Xiaoping was no longer the leader of China, or he has no control or influence on the Chinese scene; I don't mean to say that. What I mean is that since that time, both supporters of Deng Xiaoping and people who oppose Deng Xiaoping looked at things in a different way. The June 4th, 1989, incident is symbolic in China's political development. It caused fundamental changes in the people's consciousness and feelings toward the government, the party, and the leadership. After that time, China entered a period of broad choice. . .

Some people however, may say that economic development in China is strong, it's going well, there's not great unrest in China; Deng Xiaoping's influence has been restored to a great extent—even among people overseas who have accepted Western thinking. Why, then, do you say that the Deng era has ended and a new era is beginning? This kind of view of [a stable] China is an optimistic view that is only possible if one views China from outside China. If one goes to China, one will discover that the Chinese people feel China is in the midst of a crisis.

It's true that economically there is rapid development and so on. But those who have done any sort of managing of things in China say that if [China doesn't] have as high as a 6 percent economic growth rate, it is considered a very unstable situation for China. When the economy is on the rise, one anticipates peace. . . But when the economy goes down then something otherwise may occur. China would find it more difficult to weather this kind of crisis than a Western economy. . . because the economic system isn't stable. Then the only option open to the Chinese political system would be to tighten political control, and this would cause the Chinese political system to be faced with a dissatisfied people.

If we put aside for the moment the economic situation and look at. . . all kinds of societal factors, cultural development, social system, and so on, we find that they are really less than satisfactory. At this point, the only reliable force is the army. It may not be the case that such an extreme picture as I am painting will come about. . . but something similar is likely to happen.

The only thing preventing military intervention is that Deng Xiaoping remains alive. Once Deng Xiaoping passes away, there really isn't anything left that's stable. There's no strong person ruling the political system, so really we cannot guarantee any kind of stability [in the future]. ■

"The Clinton administration's policy errors have not been without cost . . . The administration has undermined reformers within the Chinese leadership by demonstrating hostility toward the Chinese government, and has strengthened the hands of hard-liners who have argued that American threats were empty."

America and China: Back from the Brink

BY JOSEPH FEWSMITH

In 1992, presidential candidate Clinton succumbed to the lure of rhetoric and vowed to the Democratic National Convention that his administration would "not coddle tyrants, from Baghdad to Beijing." Almost two years later, President Clinton has swallowed his rhetoric, broken the ill-conceived link his administration had established between trade and human rights, and extended China's most favored nation (MFN) status. Reversing yet another foreign policy commitment was undoubtedly politically difficult for the administration, but it was far better than clinging to an unrealistic and unproductive policy, one that was rapidly isolating the United States from the world community far more than it was China. The president certainly deserves credit for making a clean break with his previous policy (almost clean—some symbolic sanctions remained in place) rather than following his usual penchant for splitting the difference.

How did the president and his advisers get themselves into a position from which the only possible course of action was retreat? The answer lies in a confluence of partisanship, flawed policy vision, and poor diplomacy.

THE DOMESTIC BLINDERS ON FOREIGN POLICY

As the first Democratic administration in 12 years took office, it brought a series of perceptions, some valid and others seriously flawed, that would shape its relations with the Asia-Pacific region in general and China in particular. On the positive side, the Clinton administration saw correctly that the United States world role was hamstrung by an economy that could no longer provide the resources and vitality expected of a world leader. This perception jibed with that of the American public, which had seen the Bush administra-

tion as overly focused on foreign policy and strangely uninterested in the domestic economy. Revitalizing the American economy was vital both to restoring domestic confidence and to exerting world leadership.

This judgment of America's economic needs gave priority to economic policy in the country's international relations and focused the administration's attention on the Asia-Pacific region as an area of opportunity. As President Clinton put it in his November 1993 meeting with Asian leaders at the Asian Pacific Economic Cooperation (APEC) forum in Seattle, "More than ever our security is tied to economics," Clinton pointedly noted that the "fastest-growing region is the Asian Pacific, a region that has to be vital to our future." Lest anyone miss the importance he attached to the APEC meeting, he compared it to the meetings at the end of World War II that established the International Monetary Fund, the World Bank, and NATO.

The administration's appreciation of the Asia-Pacific region's importance and its economic vitality should have led to new warmth in America's relations with the countries of Asia, but implementation was undermined by three factors. First, concerned that tedious trade negotiations in the past had done nothing to improve United States trade deficits with Japan, the office of the United States Trade Representative, under the leadership of Mickey Kantor, adopted a highly contentious approach that demanded concessions a weak Japanese government was incapable of delivering. The same high-handed approach was adopted in trade negotiations with China as the United States also demanded concessions within a specific time frame.

Second, the administration's focus on economic opportunities and growth was paralleled by an equal but less easily defined concern with human rights and democratization. The focus of this concern was China, and the administration adopted the dubious position that sustained pressure on China could bring about meaningful progress toward a more open society. Linking human rights to China's MFN status—a policy made possible only by the failure to revoke the long-outdated 1974 Jackson-Vanik amendment, which

JOSEPH FEWSMITH is an associate professor of international relations and director of the East Asian interdisciplinary studies program at Boston University. He is the author of *Party, State, and Local Elites in Republican China* (Honolulu: University of Hawaii Press, 1985) and *Dilemmas of Reform in China: Economic Debate and Political Conflict* (Armonk, N.Y.: M.E. Sharpe, 1994), and the editor of *Chinese Economic Studies*.

linked trade to free emigration from Communist countries—reduced American foreign policy goals to mechanical and meaningless indicators of “progress.” Human rights, for example, inevitably became defined in terms of the number of high-profile dissidents released from prison instead of the well-being of the majority of citizens. And democratization appeared to be thought of as a rapid short-term regime transformation, presumably along the lines of Eastern Europe and the former Soviet Union, instead of long-term and inevitably conflictual process.

Third, the United States goal of an Asia-Pacific community was undermined by an implicit assumption that this new community would be led by the United States and serve United States needs. Malaysian Prime Minister Mohamad Mahathir was most extreme in articulating opposition to United States leadership of Asia, but there is no question that he raised concerns about American hegemony that were shared by other Asian leaders as well.

The cumulative effect of these misconceptions was to make the administration's China policy a central part of a policy that antagonized most of the region. It was perhaps this sense that not only was United States policy toward China misguided, but its entire approach to the region was out of kilter, setting it increasingly at odds with the very countries to which it wanted to move closer, that brought about the final collapse of America's China policy.

STRAINED RELATIONS

Although the president appears to have had a mixed agenda with regard to Asia—seeing it as a region of economic opportunity while hoping to demonstrate his concern for democracy and human rights—his advisers almost immediately set an antagonistic tone in their approach toward China. In Warren Christopher's confirmation testimony before the Senate in March 1993, the secretary of state-designate could not refrain from stating that it would be American policy to bring about “peaceful evolution” in China—thereby mocking the Chinese leadership's use of the same term to refer to foreign, mainly United States, subversion of China.

Shortly thereafter the new assistant secretary of state for Far East and Pacific Affairs, Winston Lord, fired off a list to Beijing of 14 areas of American concern. Chinese leaders were reportedly “infuriated,” regarding this as a “coercive ultimatum,” and sent their own list of seven demands for changes in United States policy. A visit to Beijing by Lord in May did not yield any visible sign of progress.

With the June deadline for a decision on China's MFN status rapidly approaching, the administration tried to thread its way through the conflicting demands

of economic interest, democratization, and partisanship by issuing an executive order that conditionally extended China's MFN status. In accordance with United States law, the order set two mandatory conditions: end restrictions on emigration of dissidents' close family members, and stop exports of prison-made goods to the United States. It also was to show “overall, significant progress” on five other issues: accounting for political prisoners, lessening repression in Tibet, allowing Voice of America broadcasts into China, improving prison conditions, and providing better treatment of religious minorities.

The executive order was hailed as a brilliant compromise at the time, one that distanced the president from the partisan rhetoric that had marked debate on MFN and also demonstrated Clinton's concern with human rights while preserving the country's economic interests. However, the policy, as China analyst Bonnie Glaser put it, was “intended to solve a domestic political problem instead of a foreign policy problem.”¹ Because it responded primarily to domestic political pressures from Congress, human rights groups, and the business community, it left unreconciled the differing and still passionate opinions about priorities in United States relations with China and set up a major confrontation between Chinese and American leaders.

Differences in opinion existed within the administration itself. The economic side clearly hoped that the policy would be a way to get beyond the human rights controversy, while those in charge of implementing the policy—particularly Warren Christopher and Winston Lord—saw it as a way of furthering the administration's human rights agenda. Two concerns appear to have been prominent in the latter camp. First, they believed—erroneously—that the Chinese regime was destined to fall and be replaced by a democracy. Hence, there was the desire to put the United States on the side of history. Second, only pressure—publicly exerted—could bring results, and achieving progress would vindicate Democratic criticisms of the Bush administration and promote the cause of Chinese democracy.

Such thinking was deeply flawed. The Chinese government may indeed be losing control, as some argue, but only a process of steady change can bring about a pluralistic and perhaps even democratic society. A sudden collapse would be catastrophic to hopes for democracy, yet adopting a confrontational policy would provide grist for the Chinese conservatives' mill and undercut the position of reformers, making such a collapse or a hard-line dictatorship more likely. Moreover, pressure on China alienated other nations in Asia and, as the *Far Eastern Economic Review* later editorialized, did what “no one in 1989 would have thought possible: created sympathy for the leaders in Beijing.”²

The result was a tense and poisoned relationship. By late summer and early fall, it seemed that Sino-

¹Quoted in *The Washington Post*, May 12, 1994.

²*Far Eastern Economic Review*, January 10, 1994.

American relations were in free fall. Ironically, the issue that caused the greatest tension did not emerge from United States policy toward China per se but rather from those in the administration charged with reducing weapons proliferation.

In the summer of 1993 the United States accused China that one of its vessels, the *Yinhe*, was transporting chemicals to Iran that could be used in the making of chemical weapons. The ship was shadowed and accounts of its progress were regularly reported in an effort to force it to turn back. Despite repeated denials from Chinese officials—including President Jiang Zemin—the United States continued to press its case, finally forcing the ship to stop for inspection. When no illegal chemicals were found, it was apparent that United States intelligence had erred.

The *Yinhe* incident seriously damaged China–United States relations at a time when other issues were undermining what little goodwill remained in the relationship. The assertion, hedged though it was, of United States intelligence agencies that China was selling components of the M-11 intermediate-range missile to Pakistan in apparent violation of the Missile Technology Control Regime put another arms proliferation issue on the table. At the same time, Chinese labor leader Han Dongfang tried to return to China but was turned back by Chinese authorities, who confiscated his passport. Then the United States decided to oppose China's bid to host the 2000 summer Olympics, casting the United States once again in the role of villain and providing an object for growing nationalist sentiment in China.

Thus, only about three months after the administration had adopted a seemingly artful compromise on China policy, relations were bad and getting worse. Facing the prospect of a major rupture, the administration went back to the drawing board.

ADJUSTING POLICY

Pushed internationally by Japan and other countries that worried openly about the deteriorating Sino-American relationship and domestically by such administration officials as Assistant Secretary of Defense for Regional Security Charles Freeman, who worried that the failure to open a dialogue with the Chinese military could lead to serious and dangerous misperceptions, the administration began drafting in July an "action memorandum" calling for broader engagement with China. In September, top officials handed Chinese Ambassador Li Daoyu a personal letter from President Clinton to President Jiang Zemin, which called for a "strong, stable and prosperous China."

A new atmosphere began to develop. Top officials, such as John Shattuck, assistant secretary of state for human rights, and Deputy Trade Representative Charlene Barshefsky, visited Beijing. At the November APEC meeting in Seattle, Clinton foreshadowed his

ultimate decision on the MFN issue during a meeting with Jiang. The president expressed concern about China's human rights record, specifically raising the case of dissident Wang Juntao, but he also noted that "China is a country representing one-fifth of the world's population, and it is the world's fastest growing economy." Given the president's appraisal of China's economic importance, it became apparent to observers on both sides of the Pacific that MFN would be extended; the only question was what sort of quid pro quo might be extracted.

It seemed for a while that confrontation would be avoided; this February, Jiang told a visiting congressional delegation that China would improve its human rights situation. It was the most forthcoming statement from the Chinese leadership since Tiananmen. But just as it seemed that a face-saving way out was going to be found for both sides, Chinese attitudes hardened sharply.

The reasons for this shift seem to have been primarily domestic. Deng Xiaoping had appeared visibly more frail at Chinese New Year celebrations, and Chinese dissidents had boldly stepped up their activities: Wei Jingsheng wrote an op-ed article for *The New York Times*, Wang Dan issued a statement of his intent to investigate China's human rights situation, and Xu Liangying and six other senior intellectuals signed a petition calling for political reform. Such activity, eerily similar to that of early 1989, was occurring when Deng's death appeared imminent and as China's most sensitive "political season"—the period from the convening of the National People's Congress in March through the anniversary of Tiananmen in June—was approaching. This year was particularly sensitive; it not only marked the fifth anniversary of Tiananmen, but also the seventy-fifth anniversary of the May Fourth Movement and the forty-fifth anniversary of the People's Republic of China.

Assistant Secretary Shattuck's unauthorized meeting with Wei Jingsheng during his February visit clearly touched a raw nerve; Chinese accusations of American interference in domestic affairs accompanied the Tiananmen crackdown and have been a staple of Chinese rhetoric ever since. Although some have speculated that the harsh crackdown on dissidents reflected the rise of hard-line influence within the leadership, it seems more likely that it was Deng Xiaoping himself who set the tone. Nevertheless, in suppressing dissidents and in openly risking American reprisals, Jiang certainly put in a bid for the support of China's military and other nationalistic elements that believe China has yielded to excessive United States demands in recent years.

A FATEFUL VISIT

On the very day that Shattuck left China, Chinese authorities detained Wei Jingsheng and several other

The US Business Community and Human Rights in China

China's dramatic moves toward a market economy and the deteriorating human rights situation there make socially responsible corporate activity on behalf of human rights in the People's Republic both practical and necessary. As privatization progresses in China, decision making on trade and investment has become increasingly decentralized. Special economic zones have sprouted along the coast, and local authorities in well over 300 Chinese cities and counties are competing fiercely among themselves to attract investment from abroad that will create jobs, provide training, and build state-of-the-art facilities. Officials are cutting deals with foreign firms on everything from tax waivers to land use arrangements—with little control by Beijing.

Foreign firms often have excellent contacts with key provincial officials and municipal leaders. Many foreign companies, including American ones, are well placed to use their influence on behalf of human rights to make a limited but nonetheless valuable contribution.

Recognizing these developments, Human Rights Watch has begun a good-faith dialogue with the corporate community in the United States on steps companies could take in their business operations in China. American companies were asked to voluntarily adhere, to the best of their ability, to basic human rights principles, all of them consistent with international standards and Chinese law. The recommended measures go beyond mere corporate personnel policy to help ensure that American business activities in the People's Republic do not inadvertently encourage or contribute to the Chinese government's repressive practices but instead improve the human rights climate.

Proposed measures include:

- prevention of the inadvertent use of products made by forced labor
- prohibition of mandatory political indoctrination sessions on company premises
- efforts to protect employees' right to free expression and association
- prohibition of discrimination in hiring and firing on the grounds of political opinion, as part of a broader policy against discrimination on the basis of gender, religion, or ethnic or national background
- conveying concerns about human rights violations to the relevant authorities at the provincial or central level

Because this is a voluntary effort, enforcement is up to those doing business in China. An important measure of companies' efforts is accurate public reporting on and monitoring of the actions taken and results achieved. Such reporting and monitoring was crucial for the effectiveness of the Sullivan Principles, voluntary corporate measures against

apartheid first implemented in 1977 and eventually adhered to by some 200 companies operating in South Africa.

These kinds of steps are urgently needed because of the deteriorating rights situation in China. President Bill Clinton's decision this summer to delink China's most favored nation trade status from its human rights practices came in the worst year for political arrests and trials since the crackdown in 1989 that began at Tiananmen Square. Chinese authorities have continued to repress nonviolent dissidents and have detained activists associated with the budding autonomous labor movement. In July the largest group of political defendants in years went on trial at the Beijing Intermediate People's Court; convictions are virtually certain. The argument that allowing business to flourish will by itself lead to an improvement in respect for human rights—so often heard during the debate on MFN—has no basis in fact.

Chinese citizens' demands that they be allowed to exercise the universally guaranteed rights of association, assembly, and expression are not about to go away. There are clear indications of increasing labor unrest. Official government reports acknowledge that there were more than 10,000 labor actions in the People's Republic last year, affecting both state-owned enterprises and the foreign-invested sector.

Local authorities have pressured enterprises, directly and indirectly, into firing or not hiring workers because of their beliefs or associations. In July a worker at Chrysler's Jeep plant in Beijing claimed that the company threatened to fire him because he missed a month's work while in police detention for professing Christianity. Though China's legal system recognizes equality before the law and government statements on human rights emphasize this principle, employees have been terminated by foreign companies after being cleared of charges of involvement in pro-democracy activities or released from detention for their political opinions.

Allowing politics to interfere in personnel matters not only leads to arbitrary practices but is disruptive of the workplace. As they have done at home and elsewhere in the world, companies should publicly adopt employment policies barring discrimination on the basis of personal beliefs, and provide active oversight to ensure fair employment practices. The practical experience of corporations in South Africa in applying the Sullivan Principles will be helpful here.

As part of his statement delinking China's MFN status from its human rights practices, Clinton made a public, if vague, commitment to work with American business on a set of voluntary principles for operations in China. For this initiative to be meaningful, it must include measures that address abuses both inside and beyond the workplace, and must be subject to a reporting mechanism.

Corporate social responsibility in the 1990s requires active steps by firms doing business abroad to facilitate respect for universally applicable human rights. In South Africa, the Sullivan Principles did not of course eliminate apartheid by themselves, but they played a significant role. Businesses' refusal to take such a stance on human rights in China while proceeding with large investments in the country would also be shortsighted at a practical level. Enlightened corporate self-interest mandates such an approach, not only because of the situation in China, but in these days when brand image and corporate reputation are increasingly linked in consumers' minds to the question of whether company practices are ethical. Companies with a long-term interest in China ignore this issue at their peril. ■

RICHARD DICKER, the author, is associate counsel at Human Rights Watch. He has published articles on human rights in China in *The Asian Wall Street Journal*, *Foreign Policy*, and *the International Herald Tribune*.

dissidents. The detention cast a pall over Christopher's upcoming visit to Beijing; Clinton labeled the Chinese actions as "not very helpful." After some deliberation, the administration decided to proceed with Christopher's visit. However, it raised the level of public rhetoric, making it virtually impossible for the trip to be anything other than confrontational.

At his first stop in Australia, Christopher adopted a patronizing attitude, saying on March 8 that he was continuing his trip so the Chinese could hear the administration's concern over human rights from the secretary of state personally—as if hearing had been at the core of China–United States problems over the preceding year. He also put the administration in a box from which it could only emerge with considerable embarrassment. Reiterating previous administration statements, the secretary declared that significant progress on human rights was necessary and that recent Chinese actions—which would become more egregious in the coming days—would have a "negative effect" on the secretary's recommendation on MFN.

By the time Christopher arrived in Beijing on March 11, at least 15 dissidents had been detained and others (including Tiananmen demonstration leader Wang Dan) had been encouraged to leave Beijing. The meetings were predictably rancorous. Prime Minister Li Peng, reversing the conciliatory tone set by Jiang a month earlier, declared that China would "never accept the United States human rights concept." After a particularly difficult meeting with Foreign Minister Qian Qichen, a visibly frustrated Christopher told reporters, "I wish the meeting had been as good as the lunch."

By the end of Christopher's three-day visit, the secretary had not only been firmly rebuffed by Chinese leaders but also whipsawed by American business executives' frustration with the administration's approach to China. Concerned about the loss of jobs back home and American competitiveness in China, the executives complained loudly to Christopher that United States policy was misguided and counterproductive. When the secretary responded by reiterating American concern with "core values" and the long-term interests of the business community, at least one executive concluded that the business community and the secretary were "on completely different wavelengths."

Christopher's visit was not altogether without gain. The Chinese provided information on the status of 235 political prisoners about whom the administration had specifically inquired, and pledged (for the first time) to provide information on 106 Tibetan political prisoners. An agreement was reached insuring that prison-made goods were not being exported to the United States, and the Chinese also promised to "investigate" the jamming of Voice of America broadcasts. Finally, the Chinese agreed to begin talks with the International Red Cross on opening Chinese prisons to inspection.

Nevertheless, the Chinese rebuff of Christopher left administration policy in tatters, and Christopher returned home to a wave of criticism. At a meeting sponsored by the Council on Foreign Relations, three former secretaries of state—Henry Kissinger, Lawrence Eagleburger, and Cyrus Vance—and a host of other former officials criticized the administration's approach for its monofocal, heavy-handed approach to human rights. At the same time Senator John Kerry (D.-Neb.), previously a strong advocate of sanctions on China, delivered the message to the administration that it needed a new policy, as did other congressmen, including Lee Hamilton, chairman of the House Foreign Affairs Committee.

Criticism also came from inside the administration, including the president himself. Obviously frustrated that his national security team was creating yet another foreign policy embarrassment, an irate Clinton was later reported to have fumed during Christopher's visit to China, "What the hell is Chris doing there now?"

Confronted by administration disarray and an all-out assault on its foreign policy competence, Winston Lord, chief architect of the administration's China policy, became one of his own harshest and most articulate critics. Whereas only a month earlier he had staunchly defended the administration's approach, in April he drafted a memo to Secretary of State Christopher. With considerable understatement, Lord wrote that "some Asians may be questioning the nature and style of [our] engagement." The American style of "aggressive unilateralism" was, Lord correctly noted, "giving ammunition to those charging we are an international nanny, if not bully."

The problem was not just with policy toward China but with Asia generally. Most Asian countries resisted United States-imposed notions of universal human rights: Japanese Prime Minister Morihiro Hosokawa had publicly dissented with the administration's approach during his March visit to China; Singapore lectured the United States on its patronizing attitude as it carried out the caning of an American citizen, Michael Fay; and both Australia and Hong Kong had publicly disagreed with the United States posture. In addition, acrimonious trade disputes with Japan, conflicts on labor rights with Malaysia and Indonesia, and clashes with Taiwan over endangered animals were creating, as Lord put it, a "malaise" that was "eroding the sense of optimism and partnership forged in Seattle."

It was thus obvious by early May that Clinton's campaign rhetoric and his administration's China policy were collapsing. The only question was whether the administration would make a clean break with its policy or try to split the difference and impose limited sanctions, such as imposing higher tariffs on goods produced by Chinese state-owned enterprises. Even Clinton aide George Stephanopoulos, previously an

advocate of a tough China policy, advised the president that it would be better to start anew rather than take half measures and provoke criticism that the president had once again tried to please all sides.

Clinton's decision to alter his policy toward China was greeted with the expected jeers of human rights organizations and some newspapers such as *The New York Times*, but overall the reaction was minimal. In making his announcement, Clinton articulated the rationale for engagement more persuasively than the Bush administration had. Perhaps even more important, there was a collective sigh of relief that a bad policy had finally been jettisoned.

CHARTING A NEW COURSE

The administration's decision to make a clean break with its previous approach to China bodes well for the future. But constructing a new relationship will not be easy, especially since the United States must now deal with China not in the context of conflict with other countries as in the cold war but on its own merits.³ The administration's previous policy suggests just how far American leaders are from coming to terms with China—especially a China that is economically prosperous, militarily strong, conscious of its own interests and perhaps increasingly nationalistic.

Moreover, the Clinton administration's policy errors have not been without cost. Most obvious has been the inability (or even thinking it necessary) to put together a regional coalition to address the problem of North Korea. This will only foster the desire of Asian states to deal with North Korea and other issues on their own in the future. Just as costly is the intangible loss of American credibility. Much goodwill has been squandered, and the United States must begin anew the slow

process of building consensus on a wide range of difficult issues, such as trade, security, weapons proliferation, and human rights. Even more difficult to judge is the impact United States policy will have on China politically. The administration has undermined reformers within the Chinese leadership by demonstrating hostility toward the Chinese government, and has strengthened the hands of hard-liners who have argued that American threats were empty.

The president's new approach does, however belatedly, provide a good starting point for reconstructing a general Asia-China policy. APEC showed great promise last fall in promoting cooperation in Asia and in finally bringing the Uruguay Round of GATT (General Agreement on Tariffs and Trade) to a successful conclusion. APEC's multilateralism provides a good forum for building regional understanding and integrating the Chinese economy into that region. Active American participation is welcomed; efforts to dominate are not. But the administration must move beyond the APEC process to include China in the World Trade Organization, the successor to GATT. Similarly, the administration must build on the military contacts that have been reestablished. China must also be included in regional multilateral security forums to address issues ranging from confidence-building measures to problems in the South China Sea.⁴

Lord's April memo suggests a new awareness within the administration, but whether the architects of the old policy can implement a wholly new one remains to be seen. Moreover, even if the linkage between trade and human rights has finally been jettisoned, there remains considerable domestic opposition to fully engaging China. Many in Congress, not to mention human rights organizations, are not reconciled to the president's new approach. Conflict over intellectual property rights is on the horizon, as is a possible readjustment of American policy toward Taiwan. Moreover, the possibility of renewed repression in China cannot be ruled out. All this points to the need for articulate and engaged leadership, something neither the president nor his secretary of state has yet been able to provide in foreign policy. ■

³See Nancy Bernkopf Tucker, "China and America, 1941–1991," *Foreign Affairs* (Winter, 1991–1992).

⁴For a number of policy recommendations and their rationale, see Yoichi Funabashi, Michel Oksenberg, and Heinrich Weiss, *An Emerging China in a World of Interdependence* (New York: The Trilateral Commission, 1994).

"China's leaders now say they are determined that the country will become more and more 'open.' If indeed it does, the government will increasingly be confronted with challenges to its human rights practices."

Human Rights in China

BY JAMES D. SEYMOUR

To talk about modernization without mentioning human rights is like climbing a tree to catch a fish.¹

The Chinese Communists came to power the year after the adoption of the Universal Declaration of Human Rights in 1948. But they had not been consulted in the development of that document, and were in any case disinclined to let human rights considerations interfere with their reach for power and social revolution. In their view all governments had virtually unlimited authority to act within their countries' boundaries, and individuals were to have no recourse.

In the following decades the international human rights movement gained popularity and legal standing. In 1966 the United Nations (from which the People's Republic of China was still excluded) adopted two detailed covenants on human rights. A decade later, both had been accepted by enough countries to be considered in force. One of the covenants deals with civil and political rights as generally understood in the developed world (including freedom from government interference in the flow of information and ideas by means such as imprisoning those who espouse unwelcome viewpoints). In these matters China's leaders take a cultural relativist approach, claiming that in the application of international standards, account must be taken of the diversity of values, and each govern-

ment is entitled to make allowances for its nation's historical, social, cultural, and even political realities. The second covenant spells out economic, social, and cultural rights, much sought after in the developing world, including services and material benefits that governments are supposed to ensure their citizens receive. Unlike political and civil rights, China professes to take these rights seriously—notwithstanding its own spotty record in delivering on them.

Although China has not actually ratified either covenant, since 1980 it has acceded to nine less controversial conventions on human rights, including those on the rights of women, children, and refugees, and those against genocide, racial discrimination, and torture. In time, numerous international labor conventions China had ratified before 1949 were also recognized.

China has been less than forthcoming when it comes to reporting on its human rights problems and responding to UN questions about them—even when they fall under the purview of covenants the government has signed. When it comes to rights spelled out in unratified agreements, the picture is even worse.

A HISTORY OF REPRESSION

A trial in China—if one is held at all—is usually unfair (many leading dissidents having been sentenced to "reeducation through labor" without benefit of trial). Defendants have little opportunity to defend themselves and are almost never acquitted, especially in political cases. We do not know how many prisoners of conscience there are in China, but the number cannot be small.² Earlier this year Human Rights Watch published a book, *Detained in China and Tibet: A Directory of Political and Religious Prisoners*, which details some 1,700 cases. But for every known political prisoner there must be many unknown ones, and the total appears to be growing. Last September the government admitted to holding 3,317 "counterrevolutionaries," a vague term applied to people who would be considered criminals anywhere and to prisoners of conscience. Conditions under which prisoners (both political and criminal) are held are egregious.

JAMES D. SEYMOUR, senior research scholar at Columbia University's East Asian Institute, is the author of numerous works on Chinese politics, including *China's Satellite Parties* (Armonk, N. Y.: M. E. Sharpe, 1987). The present article draws on the author's "Human Rights in Chinese Foreign Relations," in Samuel S. Kim, ed., *China and the World: Chinese Foreign Relations in the Post-Cold War Era* (Boulder, Colo.: Westview, 1994).

¹From an appeal signed by seven leading scientists and intellectuals, led by Xu Liangying. A translation of the text appeared in *The New York Times*, March 11, 1994, p. 10.

²Amnesty International terms prisoners of conscience people who have neither advocated nor engaged in violence and who are incarcerated because of his or her beliefs (or sexual orientation).

THE PEOPLE AWAKE

Human rights are important not only to intellectuals in Chinese society. Indeed, the intellectuals and the Communists have in general made their peace with each other, however uneasy that peace may be. And even intellectuals hopelessly alienated from the regime have a very narrow view of how China should be "democratized." Most think governance should be turned over to a different group (themselves), not opened up to the untutored masses. The Communists share this fear of the workers and farmers.

Although the revolution was conducted in their name, these classes are becoming increasingly aware that their rights are being trampled on. In the 1989 crackdown sparked by the pro-democracy demonstrations in Tiananmen Square, leaders of the incipient trade union movement were treated far more harshly than were students, which only exacerbated worker alienation. Last year there were reportedly 6,320 strikes and slowdowns (both illegal but often successful). This spring saw an attempt to organize a "League for the Protection of Working People." Its leaders were quickly arrested or driven into hiding. The intellectuals who at about the same time tried to form a Chinese Human Rights Association were treated more benignly, though they too were prevented from organizing (on the grounds that their movement was not "of the masses").

Though it is probable few Chinese farmers have heard of the UN's International Covenant on Economic, Social, and Cultural Rights, their grievances spring from the fact that the authorities have denied them many of the rights asserted in that document. In recent years farmers have become increasingly outspoken about problems such as the "three irregularities" (fines, levies, and charges). They have complained to officials, brought lawsuits against them, and even stormed government offices. The most notable incident occurred last year in Renshou, in Sichuan province, where rioting lasted three weeks, at one point involving nearly 10,000 farmers.

Although the immediate grievance is economic, the underlying issue is the denial of political rights; farmers are hopelessly underrepresented in both government and party circles. It is perhaps partly for this reason that the center seems to be losing control of the countryside, with local party organizations and rural committees paralyzed or able to act only with difficulty. At any rate, the authorities must now decide whether to honor more rights or crack down even harder.

When it comes to religion China is repressive even by the standards of Communist countries (compared, say, to Vietnam). Popular folk religion (usually a

mixture of Buddhism and Taoism) is officially dismissed as "feudal superstition" and strongly discouraged. Believers who acknowledge leadership abroad (Roman Catholics, Tibetan Buddhists) are subject to severe persecution.

THE WHOLE IS MORE IMPORTANT

Although the Chinese government strongly resists international pressure to improve its human rights performance, it has accepted the principle that there are at least some universal human rights, and on rare occasions even *individual* rights. For example, in 1988 China ratified the UN's Convention against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment (even though this has had little or no impact on Chinese realities).³ But most individual rights are denied in principle and in fact. For example, the Code of Conduct for Law Enforcement Officials adopted in 1979 by the UN, outlawing the use of firearms by police or soldiers unless a suspect offers armed resistance, would seem to preclude actions by the Chinese authorities in Tiananmen Square and elsewhere in 1989.

In general the Chinese government's concerns with human rights have largely ignored individual rights; rather, the emphasis has been on group rights. In 1986 the UN General Assembly voted to approve a declaration on the right to economic, social, and cultural "development." This step had strong backing from China, which praised it as a "breakthrough" that brought human rights concepts more in line with the needs of less affluent countries. Although the right to development is usually viewed as having both individual and collective components, Beijing sees the latter as taking precedence.

These economic, social, and cultural rights are sometimes termed "positive" rights, and are conceived of as different from civil and political rights. Positive rights require governments to make provisions for citizens, whereas civil and political rights generally require only that governments refrain from taking actions that violate people's rights. Both as a practical and a theoretical matter, positive rights are more domestic or *citizens'* rights (as distinct from human rights), possessed by virtue of one's membership in a particular polity rather than because one is a member of the human race. Of the two, positive rights are less subject to theoretical controversy. No one objects to the principle that the hungry should be fed. But there is little international prodding for governments to really make good on such rights, and that is how China wants it.

CONFRONTING INTERNATIONAL STANDARDS

China's leaders have resisted considerable foreign pressure to abide by international human rights standards. Much of their negative reaction to the calls for

³Torture is epidemic in China's prisons, and the central authorities have sent mixed signals as to whether such treatment is condoned. See *Torture in China* (London: Amnesty International, December 1992).

improvement is simply self-serving and power-related. However, the authorities can reasonably argue that some of the criticism misses the point of China's situation. For example, complaints about birth control policy, lack of property rights, and restrictions against changing jobs or residence tend to demonstrate obliviousness to the monumental problems involved in feeding and housing China's people and getting the economy to grow. Even some strong foreign proponents of human rights argue that insisting on unrestricted rights for the Chinese in these matters is so unrealistic that it undermines the general cause of human rights. But even if these points were conceded, it would still leave the main case for human rights in China unanswered.

Still, in recent years China's approach has not been entirely negative. Paramount leader Deng Xiaoping came to the decision that China had to become more engaged in the subject of human rights to prevent the issue from being preempted by the international bourgeoisie. As of 1990 the pendulum appeared to be swinging back; indeed, rather than continue stonewalling, Beijing went on the offensive. Chinese think tanks began addressing the subject, and a delegation was sent abroad to investigate the human rights policies of other governments. Australia, and then other countries, were permitted to send human rights missions to China.

But the Chinese government disagrees with outsiders on what constitutes a human rights issue—and its position is more tenable in some cases than in others. Reasonable people can disagree, for example, on the extent to which rights may be curbed in the name of citizens' duties. The Universal Declaration of Human Rights allows "such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society." But Beijing often interprets this as an unlimited loophole. It is also claimed that there is an internationally recognized principle of law that rights and duties are "united": that human rights, in effect, are subordinated to one's duty to support the national leadership.

Also at issue is the extent to which a government's institutional structure must conform to an international standard. Although it is obvious nations have wide latitude here, the Universal Declaration of Human Rights has some implications for how a government should be structured. In particular, Article 10 requires an independent judiciary. China's moderates do not object to this, but they claim China already has one. There is much evidence to the contrary. For example, journalist Zhang Weiguo has reported that while in prison he was told that, whatever the evidence in his case might be, "it will be up to the leaders at a higher level to determine the nature of your case." Still, one

can perhaps infer that China accepts an obligation to meet international standards in this regard.

On some human rights issues the "first world" is itself divided. One example is birth control and the question of when (if ever) abortions are to be performed. During the 1980s there were many reports of obligatory abortions in China. This generated much more concern outside China than the question of voluntary abortion, the latter being an issue primarily for the United States and Catholic countries. The death penalty is another area on which developed countries differ. Executions are common in China for even relatively minor crimes, and on occasion for no crime at all. Perfunctory trials and a meaningless appeals process result in many wrongful executions. Some governments and nongovernmental organizations take the position that capital punishment is incompatible with human rights, and the consensus in the UN seems to be moving in that direction (though the United States is not part of that consensus). China exploits such differences of opinion in the international community.

Still, most human rights values are deeply held beliefs in the West and elsewhere, a fact China's conservatives appear unable to appreciate. Westerners may consider respect for civil liberties a precondition for accountable, efficient government—and indeed, for the liberation of the human spirit—but China's leaders do not credit such professions with much sincerity. They remember how the West and Japan ignored their own principles of human rights and national sovereignty when it came to their colonies, and especially how they trampled on the rights of Chinese. They see human rights as an instrument used selectively by foreigners to pursue other foreign policy objectives. As for the argument that democracy is conducive to international peace and stability, Beijing sees things just the opposite way, holding that they have an obligation to suppress dissent, since chaos and civil war in China would be a threat to the entire world. Still, they sometimes appease the West, as they did this spring with the release of a few leading political prisoners—part of a (successful) bid to get China's low-tariff most favored nation trade status with the United States renewed.

THE SELF-DETERMINATION OF PEOPLES

Beijing has often been at the forefront of decolonization efforts in other parts of the world, but has denied the applicability of the cause to non-ethnic Chinese parts of the People's Republic, or to Taiwan and the British colony of Hong Kong.

Although Beijing arguably has a historical claim to most of China's territories with large or majority populations of ethnic groups that are minorities in the context of the People's Republic, in the case of Tibet the assertion is subject to challenge. The Chinese now

base their claim to Tibet on the fact that the Mongols and Manchus conquered both China and Tibet. However, during the Ming dynasty and the Republican period, the two most recent stretches of ethnic-Chinese rule, the present "Tibet Autonomous Region" was in all essential respects independent; during these periods and even under the non-Chinese dynasties, Tibet's leaders were chosen by Tibetans, not China. Before coming to power the Communists promised self-determination for such areas, but in 1951 representatives of Tibet's leader, the Dalai Lama, were forced to sign an agreement acknowledging Chinese sovereignty. This agreement was the ultimate "unequal treaty," and for various reasons is of questionable legality. At any rate, the Chinese ignored many of its provisions, and the Dalai Lama's government in exile considers it no longer binding on Tibet.

What the international human rights covenants seem to say is that a "people" of a disputed territory with a plausible argument for sovereignty should decide for themselves whether they are to form an independent country or be annexed to another country. Although what constitutes a "people" is not made clear, in 1961 the UN General Assembly declared that the Tibetans met all the requirements for self-determination. Furthermore, Tibetans have suffered violations of their civil liberties on a huge scale. Over the years vast numbers have been killed. During the Cultural Revolution nearly all of Tibet's once ubiquitous Lamaist Buddhist temples (central to the nation's culture) were destroyed, and religion is still strictly controlled. These and other human rights violations generated powerful anti-Chinese sentiment; Beijing's reaction has been to keep many Tibetan dissidents in prison.⁴

THE DIRECTION OF HUMAN RIGHTS

Where is the cause of human rights in China headed? This will be determined by political events in the country, with international standards and foreign involvement playing a relatively minor role. It is possible China will long be led by people who identify their personal political fortune with that of the nation and will stop at nothing to silence their critics. Such leaders can be expected to refuse to move beyond the Westphalian contention that they have absolute authority over all people living inside China's borders as determined by them. They may ignore principles the

UN has advanced, or choose to manipulate human rights issues for their own ends.

Alternatively, one of the people waiting in the wings who emerges as paramount leader might turn out to be a democrat and supporter of international covenants on human rights. But to date even the most enlightened of China's reformers have shown no sign of willingness to bow to domestic and foreign pressures for political liberalization. Thus some in China and abroad aver that it would be best to put human rights on the back burner and hope that the market economy instituted by economic reforms will lead to a more liberal political process. But many Chinese are skeptical—and rightly so. "Even if the free market takes over, and a respectable middle class emerges, democracy and freedom will not come into being automatically; their attainment will require much hard work," says Wu Jiang.⁵

Unless China largely excludes foreigners again, the subversive influence those from abroad have in China is bound to continue, however indecisively. China's leaders now say they are determined that the country will become more and more "open." If indeed it does, the government will increasingly be confronted with challenges to its human rights practices.

Already pressure comes from many quarters, including some new ones. Former Soviet satellites are pressing Beijing to respect human rights, and nations whose statehood was restored when the Soviet Union collapsed often sympathize with the national aspirations of the non-ethnic Chinese in the People's Republic. As for foreign correspondents, they are apt to insist on the right of their readers to receive unfettered news (which is impossible if journalists are regularly expelled and their Chinese contacts persecuted), and may also make appeals on behalf of Chinese journalists. International religious movements will press Beijing on the rights of China's Buddhists, Muslims, and Christians. Scholars engaged in research will push for academic freedom for themselves and their Chinese colleagues. Some foreigners will be arrested (for legitimate reasons or no), which will bring judicial procedures under scrutiny. International movements of women, labor unionists, gays, and others are bound to become more interested in the problems of their Chinese counterparts. The only way to prevent this kind of "peaceful evolution" would be to return to the isolation of the 1960s, and no one appears to want that.

In the meantime, the human rights abuses take a heavy toll. Aside from the suffering of the individuals directly affected, the whole system is held back by the restricted flow of ideas and information. Government is essentially the private property of officials; citizens are not allowed to know what their leaders are up to. The result is endemic corruption, and a modernization process that benefits some but punishes most. ■

⁴For an excellent account of these matters, see *Defying the Dragon: China and Human Rights in Tibet* (London: Tibet Information Network, 1991).

⁵Wu Jiang, "Chinese Intellectuals' Dilemma—Neoconservatism and Other Issues," *Minzhu Zhongguo* [Democratic China], May 1993, pp. 72–74, translated in U.S. Joint Publications Research Service, July 14, 1993, p. 52.

"The structures arising under this reordering [of China since 1978] may not amount to a civil society. . . [since t]heir continued existence, not to mention degree of influence and well-being, depend on the whim of the party-state. Despite this, mass organizations, the "democratic parties," and even the National People's Congresses continually challenge the boundaries of the permissible at the various levels of government."

The Search for Civil Society and Democracy in China

BY TONY SAICH

The economic reforms launched by the Chinese Communist party in December 1978 have also led to a major transformation of urban and rural society. The party's tactical withdrawal from overmanaging the economy and society has created a space subsequently filled with groups and ideas that the party has found more and more difficult to control. In the economic sphere, foreign investors have become major players, as have collective enterprises and individual entrepreneurs. Organizations have sprung up in the gray area between state and society to represent the new economic interests and, to a lesser extent, new social forces. The official ideology has become increasingly unhelpful as a guide to action or even a description of reality, and expanding contact with the outside world combined with the more relaxed intellectual climate inside China has caused the previously unmentionable, if not unthinkable, to be aired in public. The relative merits and relevance for China of Gorbachev's attempts to reform the Soviet monolith, the "Hungarian/Yugoslav/Polish way," northern European democratic socialism and models of the welfare state, and political and economic liberalism, have been vigorously debated.

Dynamic growth in the economy and the resultant social diversity focused Chinese and foreign writers on the potential for a democratic transformation in China. Some, like astrophysicist Fang Lizhi, argued that a growing and more affluent middle class would mean the gradual establishment of an economic and social structure independent of the party-state. This, they

said, would give rise to more demands for meaningful participation in the political process, which would lead to a reduction in the party's power. Support for such thinking was found in interpretations of development in Taiwan and South Korea, and in the arguments of Eastern European reformers.

An increasing number of non-Chinese scholars became interested in the rise or reemergence of a civil society in the China of the 1980s, and argued that it was an important component, or even precursor, of democratization in China. The search for the signs of civil society was sharpened by the large-scale student-led demonstrations of 1989 in China and the collapse of the former Communist regimes of Eastern Europe. The number of people who participated and the rapidity with which they formed autonomous organizations caused some to argue that the movement heralded the emergence of a civil society in China. Observers of the Soviet Union have opined that the collapse of the empire's power and of Communist parties in the Eastern European satellites was aided by the development of a civil society that operated independently of the party-penetrated state and society. Gradually, their logic runs, this undermined the official structures and organizations, leaving nothing but a hollow edifice easily toppled. Could a similar phenomenon occur in China—indeed, is it even now occurring?

LOCATING CIVIL SOCIETY

Initial accounts of civil society and contemporary China tended to focus on the areas of conflict between society and the state. Almost all types of nonconformity or antiregime behavior were cited as evidence of an emerging civil society. This, however, is too simplistic. One of the major reasons the 1989 protests failed was the absence of a framework of a civil society onto which they could graft. Also, there is a symbiotic relationship between the Chinese party-state, society, and civil society.

TONY SAICH is a professor of Chinese politics at the Sinological Institute at the Rijks Universiteit, Leiden, and a senior research fellow at the International Institute of Social History in Amsterdam. His most recent books are *Revolutionary Discourse in Mao's China* (Cambridge, Mass.: Harvard University Press, 1994), with David E. Apter, and *The Rise To Power of the Chinese Communist Party, 1920–1949: Documents and Analysis* (Armonk, N. Y.: M. E. Sharpe, 1994).

Recent writing has taken a more nuanced view but still emphasizes the need for organizations of civil society to have autonomy vis-à-vis the party-state. This includes social groups that want to operate independently of the party, and state structures such as private business enterprises, trade or professional bodies, and religious organizations.¹ While such accounts provide useful descriptions of what might constitute elements of a civil society and where one might look for them, they run the risk of viewing civil society as inevitably pitted against the party-state and developing *against* the state.

This approach underestimates the part the party-state is playing in sponsoring significant changes that may lead to organizational forms that provide precursors to a civil society. In addition, it underestimates the role of a competent state structure in the birth and growth of any civil society. The political theorist John Keane in his 1988 *Democracy and Civil Society* stressed that “sovereign state power is an indispensable condition of the democratization of civil society” because the plurality of decision-making centers and individual and group autonomy tend constantly to “anarchy.” Thus, he concludes, a “more democratic order cannot be built *through* state power, [and] it cannot be built *without* state power.”

Civil society is a product of both state and society, striving to limit the powers of the former while seeking to civilize the latter.² But while civil society is linked to the institutional framework of the party-state and the two are interpenetrated, it is located outside that framework.

This definition means that apart from looking for the formation of autonomous new groupings we should pay attention to the transformation of the roles of existing mass organizations and to the importance of intermediary bodies for the construction and maintenance of civil society in China. More research is needed on the changing dynamics of the party-state apparatus, particularly at the grassroots level, and into the complex interrelationship evolving at the nexus where party-state and society meet.

Finally, if we want to understand possible alternatives to Communist party rule in China, we must pay more attention to the moral resources of the newly emerging social forces and those groups that might be able to oppose party rule. Would they be able to put the “civil” in civil society? The recent experiences of

Eastern Europe and parts of the former Soviet Union have demonstrated that a civil society does not necessarily lead to the emergence of a democratic political order—indeed, it may restore the “state of nature” unless a new moral force gains broad acceptance, binding the people together. Without some kind of shared moral vision, an emerging civil society may pull state and society in different directions.

THE LIMITS TO LIBERALIZATION

There is no broad consensus within the Chinese Communist party on how the social changes unleashed by the economic reforms should be handled—indeed, it should be remembered that many of those who went out into the streets in mid-May 1989 in support of student demands were party members, and that many of these occupied relatively senior positions. Only with the party leadership’s line will be dealt with here.

Deng Xiaoping and his supporters never intended that liberalization of the regime’s previous practice should lead to genuine democratization or make the party-state genuinely accountable to the citizens of China. Quite the reverse. The liberalization measures were seen as necessary to produce sufficient economic progress to ensure that the party would remain in power. This was reconfirmed at the party’s fourteenth congress in October 1992, which enshrined the idea of a “socialist market economy” under an authoritarian political structure. This approach seems to be widely accepted among the younger technocrats working their way up the party ladder. They point to the rapid economic development of their East Asian neighbors, whose cultural context is similar, to argue that modernization, especially in the first phase, requires a strong centralized political structure to prevent social divisions from undermining it. They hope their firm grip on the state and society will enable them to profit from the new hybrid economic system and push through unpopular measures without sparking social unrest. Democratization at this early stage of development, they feel, would lead to chaos.

Fear of chaos is a powerful force among Chinese, and the current leadership plays on it. It conjures up a return to the days of the warlords, or to the near anarchy of the early Cultural Revolution (1966–1968), when Mao Zedong was tearing down the existing party-state structures before sending in the army to rebuild them. Leaders point to the former Soviet Union, where the market, civil society, and democratization have led not to economic advancement, improved welfare, and political freedom for all but rather to the rise of an economic mafia, a drastic fall in living standards for many, the collapse of social welfare nets, and the brooding shadow of a resurgent Russian nationalism. Accounts in the Chinese press of former professors scavenging in secondhand markets are clear warnings to China’s intellectuals to toe the line.

¹See, for example, Martin K. Whyte, “Urban China: A Civil Society in the Making?,” in Arthur Lewis Rosenbaum, ed., *State and Society in China: The Consequences of Reform* (Boulder, Colo.: Westview, 1992) and Thomas B. Gold, “The Resurgence of Civil Society in China,” *Journal of Democracy*, vol. 1, no. 1 (Winter 1990).

²Edward Shils, “The Virtue of Civil Society,” *Government and Opposition*, vol. 26, no. 1 (1991), p. 4.

What Deng Xiaoping and his supporters did intend to do with liberalization was create the conditions under which the information and expertise necessary for the regime's ambitious programs of economic modernization would be provided. This has included a tacit recognition of new social elites, which the party has tried to co-opt directly by recruiting them for the party, or in an indirect fashion, by binding them into some form of organizational affiliation.

This is not recognition of "pluralism" in society, something that former party General Secretary Zhao Ziyang seemed to be groping toward before his removal in 1989. Rather, it is an attempt to finesse self-organized and autonomously defined political spaces by incorporating the newly important groups as defined by the party into the existing modified power structures; groups are created by the party-state rather than being recognized. The party's plan is to accommodate the increasingly wide range of articulate audiences so as to thwart or limit the possibility of alternative political-ideological definitions arising.

REORGANIZING SOCIETY

Despite the party's attempts to control the process of change, there has been a significant redistribution of power from the center to the provinces, from party organizations to the state administration, and from the state-dominated sector of the economy to the collective and private sectors. This was revealed most spectacularly by the Tiananmen demonstrations. The redistribution of power has changed the institutionalized patterns of interaction among members of society and between them and the party-state. Despite the party's efforts to prevent genuine democratization, Chinese society has become more complex and dynamic, and the party will be forced into further accommodations.

Since the 1980s, the party has tried to influence key groups in society by binding them into organizations that become dependent on patronage. To head off mass opposition, the party will attempt to extend its organization, coordination, and supervision of as much of the population as possible. The party has traditionally relied on what it terms mass organizations, such as the Trade Union Federation and the Women's Federation, which provide a mechanism of participation to officially sanctioned groups but make the formation of autonomous unions or women's organizations extremely difficult if not impossible. In return for allowing such organizations to organize their members with a fair degree of autonomy and to present their interests,

the party expects unconditional support for its broader political, economic, and social programs.

The structures arising under this reordering may not amount to a civil society, but instead resemble "state corporatism."³ Their continued existence, not to mention degree of influence and well-being, depend on the whim of the party-state. Despite this, mass organizations, the "democratic parties," and even the National People's Congresses continually challenge the boundaries of the permissible at the various levels of government. Whenever the party relaxes its grip, they move swiftly to push their own agendas.

For example, even before 1989, trade union members' frustration had caused the official unions to take a more active role in promoting these workers' interests. At a July 1988 symposium sponsored by the official union, it was proposed that the union should play down its political role as a conductor of party policy and concentrate on protecting its members' welfare. These tendencies have continued after 1989, with the union taking up workers' demands for a five-day rather than the current six-day week, and consistently bringing motions to this effect before sessions of the National People's Congress.

The sessions of the congress, while not challenging fundamental party decisions, have become forums for expanded dialogue and livelier debate. Passivity acceptance of party candidates and proposals is no longer guaranteed. On occasion Prime Minister Li Peng has seemed more like a Western politician on the stump than a Communist leader, promising something to each interest group in the congress. This was particularly noticeable last year, when he feared a high number of noes or abstentions as the delegates voted on a new term for him. Li visited the wealthy provinces to assure them he was not against their continued rapid economic growth, despite his reported desire to limit overall growth to 9 percent. The most noticed demonstration of independence by congress delegates so far came in the debate on implementing the Three Gorges project, which aims to build a series of dams on the Yangtze River. This project has caused consternation both in China and abroad, and while 1,767 delegates voted in favor of it, 177 voted against and an unprecedented 664 abstained.

In addition to allowing freer expression to intellectuals and other groups and permitting a revival of activity in preexisting organizations, the reforms have given birth to new social groups and social organizations. The most remarkable among the former is the individual entrepreneurs (*getihu*). The development of private enterprises in urban areas was initially seen by the regime as a quick and cheap expedient for dealing with unemployment, together with rapid expansion of the collective sector. Throughout urban China private entrepreneurs have been vigorous in forming associa-

³See Philippe C. Schmitter, "Still the Century of Corporatism?," in Frederick B. Pike and Thomas Stritch, eds., *The New Corporatism* (Notre Dame, Ind.: University of Notre Dame Press, 1974) and "Democratic Theory and Neo-Corporatist Practice," *Social Research*, vol. 50, no. 4 (Winter 1983).

tions to defend and promote their interests, as well as to foster business links among themselves.

Such associations are just part of the myriad of new organizations set up during the 1980s and 1990s. While the headlines have been grabbed by the Workers' Autonomous Federation and the Students' Autonomous Federation, which were established in 1989 and brutally suppressed from June 4 onward, many other less contentious organizations have been formed and have survived. In 1991 it was estimated that there were just over 1,000 registered nationally, almost identical with the figure before the crackdown, and probably more than 100,000 operating locally. As marketization and privatization proceed, China is becoming a patchwork of state, collective, private, and hybrid organizations. The party has tried to incorporate these into existing administrative structures, and after 1989 all had to re-register. While one should not overestimate the autonomous role such organizations can play, they are making control of society more difficult for the party.

In the private sector, which many observers see as a potential seedbed for civil society, it is likely that the overriding desire is for stability, even if this means a more authoritarian state. One would expect private entrepreneurs and their organizations to have a vested interest in supporting new phases of the program for economic and political change, which would not only create opportunities for expansion for them but would also lend their activities greater legitimacy. Theoretically, greater reliance on market forces, less administrative regulation, and a clear legal framework would help private enterprises avoid "squeeze" by local officials. But in the current hybrid economic system, officials and merchants have become "dependent, mutually interpenetrated semi-classes, even as both share a new kind of dependence on the state." This makes some merchants wary of reform leading toward a purer form of the market, as it would deprive them of the inside tracks that they have established with officials of the party-state.⁴ In fact, some entrepreneurs who had scorned the party are now becoming members because of the useful contacts (*guanxi*) that party membership brings.

A mixed picture also emerges if we look at the "moral resources" possessed by those who either oppose or do not fully support the party-state. While it is true that public speech and debate is breaking free of the codes and catchwords of the party-state, it is also clear that no coherent alternative vision has emerged around which a civil society or rapid construction of a democratic order could be fashioned. And the party sees lurking in the shadows—waiting to pounce on

any opening that allows freedom of expression—revivalism, religion, linguistic division, and divisive regional and ethnic loyalties.

FILLING THE BELIEF VACUUM

To some extent party leaders are right to be afraid. At present the most clearly emerging alternative identities are ones that tend to strengthen centripetal forces. The most obvious are the restatement of Tibetan and Uighur cultural identities, which have led to clashes between local demonstrators and internal security forces. Similarly, coastal China is moving away from Beijing not only on economic policy but also in terms of its cultural identity. In Guangdong province the use of the Cantonese language and the interactions with Hong Kong reinforce this trend. In Fujian the ties across the Taiwan Strait have a similar effect on the province.

With the "belief vacuum" at the center, traditional belief systems and organizations—popular religion, clans, and even secret societies—are beginning to make a comeback. Not only in the countryside but even in suburban areas, temples are once again becoming sites for worship and hubs in an intricate system of reciprocity and welfare distribution. In southern China in particular, clans and lineages have reappropriated their roles as local organizers, which were partly taken away from them after the Communists came down from the north in the late 1940s. Secret societies are once again flourishing in China, and contacts have been established with their counterparts based in Hong Kong and farther afield.

In urban China, while the party has relaxed its hegemony over expression and alternative voices are regularly heard, no new mode has established its dominance. China's cities are awash with the kinds of jokes, mockery, and cynicism that erode the legitimacy of the party-state, but it is difficult to see a shared moral vision emerging from this. At present the only binding factor is the desire to make as much money as quickly as possible. However, one should not forget how quickly the students' calls in 1989 for clean government and a more democratic order resonated among the urban population at large. This would suggest that the potential exists, and that calls for clean government could still unite a more vocal opposition.

What is emerging in urban China today is a focus on the individual. Party veterans, with their stress on the "collective," find the concept extremely difficult, and the prospects frightening to contemplate: it could all too easily lead to people regarding themselves as individual citizens of China rather than subjugated elements of the masses of the People's Republic.

A PROPHECY FOR CHINA

Does all this mean that civil society and democratization are not on China's agenda in the foreseeable future

⁴Dorothy Solinger, "Urban Entrepreneurs and the State: The Merger of State and Society," in Arthur Lewis Rosenbaum, ed., *State and Society in China: The Consequences of Reform* (Boulder: Westview, 1992), pp. 121 and 130.

and that we should accept Deng Xiaoping's version of "*après moi, le déluge*"? Official policy is geared to prevent alternatives from emerging precisely so the leadership can claim there is nothing that can replace the current system. If the current power constellation were to remain in place, the potential for further democratization or an expansion of civil society clearly would be difficult to realize; the party leaders ruling over a hybrid economy would try to close down social spaces rather than permit their expansion. The hybrid economic structures combined with centralized power permit party and state officials to turn public position and access to restricted information to private gain. There is no compulsion for them to codify further regulations or implement existing legislation in a uniform fashion, as it is precisely the vagaries of interpretation that increase the potential for profit both legal and illegal.

It is my contention, however, that such a structure is untenable over the long term and will have to give way to further reforms. The legitimacy of the current regime is tied to its capacity to deliver the economic goods, and the current political structure is not conducive to sustained high growth too far into the future. The reforms that will have to be undertaken to maintain the party in power over the short to medium term undermine its capacity to rule over the long run. In particular, when the need for information during a country's development becomes very great, it is extremely difficult if not impossible for a regime to reduce coercion without inviting major political change.

⁵This, of course, was one reason Zhao was so roundly denounced by party veterans, who saw his policies as the first step on a slippery slide to the loss of power. The veterans' response was to try to frighten the emerging interests in society back into their shells and then to buy them off with promises of wealth.

Democrats in China must find structural relationships that sustain democratic principles and internalize them in appropriate conduct, the self-discipline and restraint necessary to make choice work, rather than seeking plunder. A number of Asian countries are engaged in such an evolution—Taiwan, for one, and South Korea for another. Their experiences suggest that the requirements for high growth are high information, declining coercion, less hierarchy, and more accountability, provided by representative institutions and a marketplace in which priorities of goods and services in the economic sphere are balanced by needs and wants in the political. This means some form of competition in the political marketplace, through which greater information becomes available. The Chinese Communist party is trying to emulate these other countries by loosening up the economic marketplace while restricting the political one in the hope that technical and interest information will become more freely available though populist information will be suppressed.

The transition is difficult to make. The first step for the party would be return to the kind of political agenda suggested by Zhao Ziyang and his supporters before June 1989. They acknowledged the increasing "pluralism" in Chinese society and sought to engage in a constructive dialogue with society, though it was never intended that this should lead to power sharing. From here, however, it would not be a very big step to allowing a more genuine autonomous organization and representation of people's interests through limited media outlets.⁵ Existing structures such as the People's Congresses could be used as genuine forums for policy discussion. This is highly speculative, but one thing is certain. Unless the party moves toward accommodation with China's rapidly changing society, it risks losing the dynamism and input essential to sustain the ambitious plans for the economy. ■

"While the outside world worries about the expansionist motives of a modernizing PLA, the Chinese leadership frets about deficiencies in its military technology and the quality of the troops being recruited. Leaders are concerned as well about the military's loyalty to the regime, and wonder whether the commitment of individual military men to self-enrichment might not outweigh their institutional commitment to defend the country. . . Both fears appear to be exaggerated."

The People's Army: Serving Whose Interests?

BY JUNE TEUFEL DREYER

A curious dichotomy has emerged between how the outside world views the Chinese military and how the People's Liberation Army is seen at home. Other countries have become concerned with the possibility of aggression by an increasingly militarily capable China as well as the effects of Beijing's arms sales on the global balance of power. At the same time, the leadership in China is becoming more concerned about the armed forces' loyalty, and worries that the military's growing business empire may affect its combat capabilities. Although evidence can be marshaled for both sides' contentions, the interaction between the military's foreign and domestic roles makes it unlikely that the Chinese military will embark on a course of territorial aggrandizement, or that the military will prove to be the sole determinant in the struggle for the succession to Deng Xiaoping.

THE ARMS BUSINESS

The People's Liberation Army (PLA) has continued to reach out to foreign militaries, receiving visiting groups from more than 40 countries last year and sending its own abroad. By far the most newsworthy of these contacts has been the relationship with Russia. Defense Minister Pavel Grachev was first among many high-ranking military officials to journey to Beijing, signing a five-year cooperation agreement with his Chinese counterpart. A few months before, ships from Russia's Pacific Fleet had visited Qingdao for the first time in 37 years. President Boris Yeltsin placed the value of military sales to China in 1992, before the agreement was signed, at \$1.8 billion; this included at least 26 SU-27 fighter planes and 100 S-300 surface-to-air

missiles. Talks were held on the purchase of the SS-25, Russia's most modern, mobile intercontinental ballistic missile; Kilo class diesel-electric submarines; aircraft carriers; and late-model T-80 tanks. More than a thousand Russian scientists visited China in the last two years to help with the Chinese military effort, and an estimated 300 to 400 Chinese defense specialists were sent to Russia for training. Weapons designs were reportedly being faxed to China, amid Western fears that Russia's system to keep track of its weapons specialists had broken down.

A slow thaw has also begun in military relations between the United States and China, which were frozen after the June 1989 military crackdown in Tiananmen Square. Military Commission vice chairman Liu Huaqing has noted that he was strongly in favor of this, prompting Russian sources to surmise that China intends to play the United States off against Russia for technology—as it had done successfully with the Soviet Union in the past.

China has also acquired military technology from Israel, sometimes against Washington's wishes. The People's Republic was reportedly using Patriot missile technology sold to it by Israel to upgrade Soviet-designed surface-to-air defense weapons and to develop ballistic missile reentry vehicles that can evade American defensive systems. The aim was assumed to be capture of a larger share of the growing demand for weapons by third world states. Pentagon analysts opined that China would be selling cruise missiles and other military systems as well.

That China is selling weapons is of less concern than that certain countries are buying them. Beijing has denied United States allegations that it was selling M-9 and M-11 missile parts to Pakistan, despite an earlier promise not to; the wording of the Chinese statement, however, seemed less than forthright. China also reportedly stepped up cooperation with Iran on missile

JUNE TEUFEL DREYER is a professor of politics at the University of Miami. The second edition of her most recent book, *China's Political System: Modernization and Tradition*, will be published by Allyn and Bacon (Needham Heights, Mass.: 1995).

technology, and last year it signed an agreement to help the Iranians build a nuclear power plant. Hong Kong authorities discovered that American-made military aircraft parts were being modified in China and then shipped to Iran via the crown colony on commercial flights. In addition to garnering foreign exchange, China's motives were believed to include the desire for continued access to Iranian oil and Teheran's agreement, tacit or otherwise, to eschew support for growing fundamentalist sentiment among China's Muslims.

An incident especially embarrassing for the United States occurred last August. Washington charged that a Chinese cargo ship, the *Yinhe*, was carrying chemicals used to make mustard gas and nerve gas to the Middle East. Given Iraq's use of chemical warfare internationally as well as against its own Kurdish minority, the claim assumed major proportions. China counter-charged that the United States was harassing its ship, and denied that the *Yinhe* was transporting the chemicals. After several weeks of high-level negotiations, during which the ship continued on its journey, the two sides agreed an inspection would be carried out in Saudi Arabia. No chemicals were discovered. American intelligence sources maintained that the banned chemicals had been on board, but that the captain had managed to off-load his controversial cargo before reaching the Persian Gulf. Almost simultaneously the State Department announced a two-year ban on technology sales to 10 Chinese aerospace companies because of their dealings with Pakistan, which the United States believes is developing nuclear weapons. These events slowed, at least temporarily, the thaw in Sino-American military relations.

North Korea, an international pariah because of its apparent violation of the nuclear Non-Proliferation Treaty, has also been the recipient of Chinese military technology. The United States Defense Intelligence Agency concluded that China had collaborated with North Korea in the development of a new long-range missile. Other sources confirmed that two of China's major arms importer-exporters, China North Industries and Poly Technologies, were working with North Korean weapons scientists. The quid pro quo was thought to be Pyongyang's agreement to allow China to export missiles and other arms to the Middle East via North Korean ports. This may also explain China's reluctance to support United Nations sanctions against North Korea for Pyongyang's unwillingness to allow inspection of its nuclear facilities.

China is also the military mainstay of yet another international outcast, the ruling State Law and Order Restoration Council in Myanmar (Burma). Arms deliveries to the junta have topped \$1 billion, and include tanks, armored personnel carriers, and multiple rocket-launcher systems, presumably for use in counterinsurgency operations. A joint venture factory was constructed in Myanmar for the manufacture of ma-

chine guns and ammunition. China also assisted in the building of three highways from the border of Yunnan province into Myanmar; Burmese dissidents worry that Beijing could use these as invasion routes in a takeover of their country. The Chinese military has supplied Myanmar's air force with A5-M ground attack planes suitable for counterinsurgency activities, and F-7 fighters. But its neighbor's navy most interests the PLA: the regime in Myanmar can provide China with an outlet to the Bay of Bengal and the Andaman Sea. Hainan-class fast attack craft and support personnel began arriving in Myanmar in 1991, and several existing naval bases in the country are being improved, including those in Mergui and the Cocos Islands. New Chinese-made radars have been installed in the Cocos base, which will allow China's intelligence personnel to better monitor the area.

In Thailand, two separate caches of Chinese-made weapons were discovered only a few weeks apart last year. One was described as the largest such find in Thai history, containing enough firepower to defend a small country. Both were believed to be destined for the Khmer Rouge across the border in Cambodia. In keeping with UN efforts to end the bloodshed there, China has pledged not to arm the Khmer Rouge. The two caches do not necessarily constitute evidence that this promise has been violated, since it is possible they were private business transactions between corrupt PLA members and their Thai counterparts. Still, the international repercussions are potentially embarrassing for Beijing.

RED FLAG RISING?

These activities have caused concern in many countries. China's presence in the Cocos Islands is particularly troublesome to India, which has a naval base of its own in nearby Port Blair and considers the Indian Ocean part of its preserve. India's invitation to Indonesia to take part in joint naval exercises in the Indian Ocean this year may be an attempt to create cooperation to counter what is perceived as a growing common threat; Indonesia has long been wary of Chinese expansionism at its expense. The increasing capabilities of China's navy have also aroused apprehension among the many countries that contest the ownership of the Spratly Islands in the South China Sea with China.

Japan, which has several territorial disputes with China in the South China Sea, is uneasy about the Chinese military presence in Mergui, near the entrance to the Strait of Malacca, which connects the South China Sea with the Indian Ocean. This channel is not only strategically important in itself but is also a crucial transit point for the oil Japan imports from the Middle East. Earlier this year, then-Japanese Foreign Minister Tsutomu Hata and United States Defense Secretary William Perry agreed to monitor China's military

buildup closely. At a bilateral security meeting in Beijing a few weeks later, Tokyo formally solicited greater "transparency" on military matters. The Japanese suggested that China make military information public—perhaps, as is common international practice, through the publication of a defense white paper. Meanwhile, in Taiwan attention was focused on a document issued by the Military Commission of the Chinese Communist party's Central Committee on the subject of the possible invasion of Taiwan.

These concerns may be exaggerated, or at least premature. China has indeed been developing and purchasing new weapons, but it will be many years before they can be perfected and integrated into combat plans. And increased capabilities do not necessarily indicate an intention to use them. Confronted with its neighbors' anxieties, Chinese officials have been careful to stress that the military buildup is for defensive purposes only. Still, there is evidence to support the argument that at least the upper echelons of the armed forces favor a more assertive international role for China. Elderly generals have complained that party General Secretary Jiang Zemin has been far too accommodating toward the United States, and a group of them supposedly advised him in writing at least twice to take a harder line. The precipitating causes were the *Yinhe* incident and the rejection of Beijing's bid to host the Olympics in the year 2000, in favor of Sydney, Australia.

CHANGING OF THE GUARDIANS

With 90-year-old paramount leader Deng Xiaoping in visibly failing health, the fate of his chosen successor, General Secretary Jiang Zemin, is unclear. Jiang will need the support of the armed forces to maintain his position, yet he has no military experience and had no ties with the military on his anointment in June 1989. During the past few years he has visited various PLA units about once a month to inspect the troops and, presumably, to forge links with the officers. The elevation of 6 men to the rank of general last June—the first such promotions since the military reinstituted ranks in 1988—was seen as another of Jiang's efforts to curry favor with the military, as were the promotions of an additional 19 individuals this June.

Early this year the outlines of the third major transfer of senior officers since the Tiananmen incident became discernible. The rationale behind military transfers is not usually publicly stated. Since little is known about the careers of the individuals involved, analysts must hypothesize on the basis of sparse information. Sometimes the reasons may involve no more than the desire to rejuvenate the officer corps by moving younger people into command positions or giving promising officers experience in more than one area by rotating them around the country. In the case of the first major reshuffle after Tiananmen, in spring 1990, an addi-

		Percentage Increase over Previous Year
1988	22.02	8.1
1989	25.00	13.0
1990	29.03	15.0
1991	32.51	12.0
1992	36.4	13.8
1993	42.5	15.0
1994	52.0	22.4

tional concern appears to have been maintaining the officers' willingness to enforce the hard-line advocated by Deng Xiaoping and China's president, General Yang Shangkun; the promotion of martial law spokesperson Zhang Gong to commissar of the Beijing Military Region is a case in point. Other promotions were thought to have been designed to enhance the power of the Yang faction, which included Yang Shangkun's younger half-brother Yang Baibing.

The second set of reassignments, in late 1992, seemed to indicate a softening of the hard line and a desire to reduce the power of the Yang faction so as to enhance Jiang Zemin's chances of political survival. Zhang Gong was transferred to the less prestigious Chengdu Military Region, Yang Shangkun retired, and Yang Baibing was removed from all military positions, though given membership in the Politburo. The third set early this year continued the trends established by the second; Zhang Gong was reassigned to a still less powerful position as commissar of the Academy of Military Sciences in Beijing, and more than a hundred high-ranking officers, many of whom reportedly had ties with the Yang family, retired or were reassigned. A number of Jiang protégés are believed to have received promotions. Whether this will be sufficient to ensure Jiang's leadership remains to be seen.

THE BUDGET QUESTION

The steady growth in the PLA's budgets since 1989 have also increased international anxiety about Beijing's military intentions. The expansion has been substantial, and seems all the more so in light of the austerity budgets Deng had granted the military since his accession to power (the one exception being 1979, to cover the costs of the military expedition into Vietnam that year).

Chinese sources have tried to allay concerns by pointing out that there has been substantial inflation during this period—sometimes exceeding 20 percent in major cities—and saying that increases have done little more than compensate the military for losses in

buying power. However, it is difficult to adjust defense budget figures to account for inflation, since official inflation rates tend to be several points lower than estimates by foreign analysts. Moreover, they do not necessarily affect the military and other sectors of the economy equally. Since 1989 the increases in the defense budget have outstripped the increases in other sectors, such as education and agriculture, that one would expect to have higher priority when the threat of external attack is minimal. And although officials point out that military expenditures are a modest 8.6 percent of the state budget and 1 percent of China's gross domestic product, foreign analysts note that China does not follow standard accounting procedures; actual defense expenditures are estimated to be two to three times the published numbers.

Some discount government contentions that the military budget is low by international standards as little more than an anodyne for international concerns over an emerging Chinese juggernaut. However, the authors of a book entitled *Can China Win the Next War?*, as yet unavailable in translation and clearly meant for internal circulation only, are distressed at the slow progress of military modernization and lament both antiquated equipment and poor troop quality.¹ The book leaves the clear impression that China may not be able to perform well in any future confrontation. Although the authors tend to concentrate on the need for new military hardware, there are other important factors that they do not address. For example, PLA salaries have failed to keep pace with many civilian jobs, thus causing some young men to avoid military service and others, such as air force pilots, to leave early for better pay in commercial ventures. The apparently large increase in this year's defense budget is believed to be mainly to finance the first pay raise for the armed forces in many years: salaries of recruits and junior officers were increased by about one-third, and those of senior officers by 50 percent or more. In addition to easing the difficulties of recruiting, it was hoped that better wages would reduce the alarming increase of corruption in the military.

AN OFFICER AND A BUSINESSMAN ?

The military budgets of the early 1980s did not indicate a low regard for the armed forces on Deng's part; rather, the paramount leader, who considered military service an important part of his own career, was convinced that a strong military could not be grafted onto a weak economy; economic modernization was thus his first priority. The PLA was enjoined to do its utmost in the effort to modernize, including turning some of its production lines over to civilian production and marketing both consumer goods and

weapons. Between 25 and 30 percent of the military's expenses are now met through its industries and businesses.

The PLA's venture into the commercial sector is less surprising in the Chinese context than it would have been for foreign armies: from the earliest days of the Red Army, soldiers had been asked to reduce the military's burden on society by raising their own food, building their own barracks, and producing their own uniforms. This new *démarche*, however, was on an unprecedented scale, and quickly came to be associated with profit rather than mere subsistence.

The military responded with alacrity; according to official statistics, the more than 1,000 large- and medium-size defense enterprises have increased civilian output by 20 percent each year since being ordered to convert from defense production in 1978. Washing machines, refrigerators, socks, and the like are said to account for nearly 70 percent of defense sector production. But new problems have emerged too. Almost immediately there were reports of corruption. Some units engaged in stealing luxury cars from Hong Kong and transporting them to the mainland, where they were sold for large gains. Other units sold the fuel the government had allocated them to civilians.

Naval vessels have even stopped foreign ships in international waters, forced them into military ports, and off-loaded their cargoes for resale. After 16 Russian vessels were attacked in the East China Sea early last year, Moscow began deploying warships in the area, which ended the problem for its ships. For vessels from other countries—particularly those flying flags of convenience like Panama's or Liberia's, which could not expect protection from those nations' navies—problems continued. After a representative of the International Maritime Organization visited Beijing, China announced new regulations for registering its own vessels and for boarding and inspecting ships. But given the many ways in which units can evade these, it would be naive to assume the piracy problem has been resolved.

Military units also earn extra money by selling their license plates, which allow the purchasers to avoid vehicle inspections, road tolls, and other impediments to their businesses. The practice became so widespread in some areas that authorities issued new plates, in a different style, to military units, and set up dragnets to catch vehicles bearing old-style plates. Officials admitted, however, that this was only a temporary fix, since the newly issued license plates could be sold in turn. The PLA's exemption from inspection had tragic consequences in the Shenzhen Special Economic Zone in southern China last August, when a military-owned factory exploded, killing 70 people and injuring several hundred others.

While some of the income from military enterprises may have been used to help the armed forces modern-

¹A partial translation can be found in *Orbis* (Summer 1994).

ize their weapons, improve training techniques, and better the troops' living standards, most of the profits seem to have been spent on luxury goods such as elegant homes and expensive electronic equipment for a relatively small number of officers. The trickle-down effect appears to have been minimal, judging from Military Commission directives urging military officials to bear the hardships of service proudly. Other directives have been aimed at ensuring adequate food supplies to the troops, and reassuring military suppliers that they will be paid market prices for their grain while guaranteeing military units that grain will be supplied them at fixed prices.

Unsurprisingly, straitened circumstances have caused morale problems among those members of the military who are unwilling to participate in corrupt schemes or who are simply not in a position to avail themselves of the new opportunities. The discrepancy between their salaries and those of less scrupulous officers certainly runs counter to the Communist party's carefully cultivated image of an egalitarian military establishment in which officers and men share "weal and woe." An anguished major was quoted in a leading Chinese magazine as saying: "If the units managed to deal with [their troops] fairly and honestly, the enlistees would naturally apply themselves to their work and study to excel. But such is not the case in certain units today. You want to transfer to the volunteers, join the party, enroll in school or become a cadre? You have no connections, nobody ready to give you a little help? Then forget it. A junior enlistee from a small place. What connections can you possibly have? None. Then you have to cultivate your ties. Look up fellow villagers, acquaintances, friends, relatives. How? Send a gift when a gift is called for, send money when money is called for."

In some localities the PLA's special privileges have caused friction, since the military competes with civilian enterprises from a favored position. In other areas officials and officers appear to have collaborated, creating fear in Beijing over the possible rise of "independent kingdoms" that can evade the central

government's control. Even when they do not, military enterprises appear to distort the operation of markets rather than facilitate China's evolution toward a free market economy.

Repeated admonitions to the military to eschew private uses for profits from enterprises—referred to as "keeping small treasuries" or "practicing external circulation"—have had no noticeable effect. A recent Chinese Academy of Science report suggested the PLA's removal from business. Its industries, the report said, should be purchased for a fair price, enabling soldiers to return to their real vocation: training for the defense of their country. Members of the military should be paid fair salaries, to be provided through taxes rather than military commerce.

The 1994 pay raise is one government attempt at this, as are directives ordering the military to extricate itself from business dealings. Yet, in seeming contravention of these, in March the PLA command in Guangdong announced that it would set up a "military tourism zone" on one of its bases, where domestic and foreign visitors could sky dive, practice marksmanship at indoor and outdoor shooting ranges, and participate in heavy-weapons maneuvers.

WORRIES WITHIN AND WITHOUT

While the outside world worries about the expansionist motives of a modernizing PLA, the Chinese leadership frets about deficiencies in its military technology and the quality of the troops being recruited. Leaders are concerned as well about the military's loyalty to the regime, and wonder whether the commitment of individual military men to self-enrichment might not outweigh their institutional commitment to defend the country. They warn that "the Great Steel Wall," as the PLA is often called, "may self-destruct."² Both fears appear to be exaggerated. But the military's domestic political role is substantial, and it would be difficult for any government to change this easily or quickly. Given the tenuous ties Deng's chosen successor, Jiang Zemin, has with the military, and his need for its backing if he is to maintain his position after Deng's death, it will be particularly difficult for him to carry out this change. Meanwhile, to the extent the PLA continues to play a major part in market enterprise, the enhancement of its military capabilities will be inhibited. ■

²See Li Chu, "Chi Haopian Personally Handles Smuggling Cases in the Military," *Cheng Ming*, September 1, 1993.

"As the older comrades and their dated politics fade from the scene, a major generational and ideological shift is becoming irreversible. . . The Maoist worldview that gave China a vision and sense of self-worth has been dismantled. What remains is a crude, pre-World War I positivism, a faith in science, material wealth, capitalism, and national strength. It is a faith tempered neither by the moderating influences of traditional culture nor by modern bourgeois angst."

Soft Porn, Packaged Dissent, and Nationalism: Notes on Chinese Culture in the 1990s

GEREMIE BARMÉ

Given the events of early June 1989 and the devastating purge that followed in its wake, it would have been reasonable to expect that China was entering an extended period of cultural isolation and revanchism. However, the imperatives of economic reform, international pressure, and internal party dissension quickly brought an end to the cultural purge ushered in by the Tiananmen massacre, even if the political repression has continued in fits and starts.

After a period of economic and social retrenchment from 1989 to late 1991, Deng Xiaoping, "the chief engineer of reform" as he is called, traveled to south China in early 1992 and incited a new wave of change, another leap in China's move toward the market. Ideological caution has been thrown to the wind as the nation devotes itself to making money. Every aspect of life has been affected by this intensification of China's push toward "primitive capitalism," and despite recurrent crackdowns and proto-Maoist mumblings among ideologues, the cultural sphere is perhaps the quintessential reflection of the new trends that are changing China.

Strapped by limited funds and suffering from a serious image problem, the cultural authorities—a nationwide network of bureaucracies ostensibly controlling every aspect of cultural activity and life in the

country—are in retreat. The impact of the more ideologically narrow elements—"leftists," "post-Maoists," "conservatives," call them what you will—is summed up in the common Beijing saying that: "their rule doesn't extend beyond the Third Ring Road [of Beijing]; all they control is a couple of journals and newspapers, and they only have the support of a handful of officials."

This state of affairs has enabled the cultural underground—nonofficial musicians, artists, filmmakers, writers, and thinkers—to gradually surface through Hong Kong and Taiwan outlets. Since they are not considered a threat to the status quo—unlike labor activists and individuals of conscience—more sophisticated cultural rowdies are grudgingly tolerated. Irony and cynicism have been the fad trends of the early 1990s. Chinese culture and young artists have playfully reinterpreted and subverted the politics of their parents. When, however, irony itself is commodified and used "to grease the wheels of commerce, not . . . to resist its insidious effects," the cultural significance of market-oriented dissent becomes deeply disturbing.¹

PURVEYING PORNOGRAPHY AND POLITICS

No incident perhaps illustrates the state of Chinese culture, and the cynical relationship between "manufacturers," cultural product, consumers, and official arts watchdogs better than the fate of the 1993 novel *City in Ruins* (Feidu).

Published in Beijing at the start of the year, *City in Ruins* is a semipornographic work of fiction by Jia Pingwa, a popular and until then highbrow novelist from Shaanxi province. Said to be a roman à clef, the novel chronicles the adventures of a licentious writer in a provincial city. Written in a style imitative of traditional fiction and full of "quickie" sex scenes, extra titillation is provided by the author, who expunged numerous passages from the text; following each

GEREMIE BARMÉ is a fellow in the Division of Pacific and Asian History, Research School of Pacific and Asian Studies, Australian National University. He has written widely on Chinese cultural and intellectual history and is the editor of *East Asian History*. His publications include two volumes of essays in Chinese, and his most recent book is *New Ghosts, Old Dreams: Chinese Rebel Voices*, edited with Linda Jaivin (New York: Times Books, 1992).

¹Toby Young, "The End of Irony?" *The Modern Review* (London), vol. 1, no. 14 (April-May 1994), p. 6.

lacuna he teasingly adds: "Here the writer deleted 563 words," and so on, supposedly a hint that the missing material was deemed too hot for the censors/publisher/reader to handle.

Even before it appeared, there was talk that *City in Ruins* was the raciest Chinese sex story since the famous sixteenth-century *Jinpingmei*. Scandal merged with envy when the publisher leaked news to the media that Jia Pingwa had been paid 1 million yuan for the rights to the book. In the still ostensibly sexually repressive atmosphere of mainland China *City in Ruins* was, not surprisingly, an immediate sensation. It not only promised pornography, but also lambasted its main characters, who were all writers and intellectuals, popular targets for derision since the days of Mao.

That the novel appeared at all shows how much more lenient the authorities are today than they were even at the height of "bourgeois liberalism" (the party code word for nonparty, pro-Western thought, culture, and political activity) in the late 1980s. The tardy official response to the public furor created by the book—including two published volumes of denunciations of the novel penned by intellectuals—is also symptomatic of the relationship between the dysfunctional political ideology of the past (Marxism-Leninism and Mao Zedong Thought) and the commercial realities of the present.

It was only in late 1993 that leaders of the Communist party's Ministry of Propaganda finally declared a ban against *City in Ruins*, claiming that the ministry had received numerous letters from worried teachers and parents complaining that adolescents were being corrupted by the novel. The publishers were ordered to surrender all profits from the publication to the state, quite a hefty sum if one believes reports that over half a million copies of the book were sold (not including pirate editions).

Although controversial literature can appear—even if only to be eventually banned—political correctness, Chinese-style, is far from dead. After all, the best-selling book last year was the lugubrious third volume of *The Selected Works of Deng Xiaoping*. This is hardly surprising if we consider that it was required reading in nationwide political study sessions. However, other big sellers in the bookstores are more indicative of the true preferences of China's readers. These included investment guides with titles such as *Futures and the Market*, computer books (*A Complete DOS Handbook*, for example), and similar reference works. Although 1993 was the year of the centenary of Mao's birth—and despite the popular revival of the Mao cult since 1990—books related to Mao Zedong that had sold

solidly in 1991–1992 only fared well in the heavy-industrial city of Wuhan in 1993.

The publishing industry, like the Chinese media generally, has grown apace since the early 1990s. According to reports, a new newspaper was produced at the rate of one every one and a-half days in China during 1993, bringing the total number of newspapers to 2,000 early this year. In particular, papers with commercial and lifestyle news are on the increase, which is not surprising given the economic developments in China that emphasize the consumer and the investor; Liang Heng, the assistant director of the Chinese News and Publishing Administration, the body in charge of publishing, has reportedly commented that organizations are finding financial backing themselves to create new papers in the hope of making money, whereas in the past party organs set up new papers with state funds to disseminate propaganda.

As in other periods of national cultural upheaval and change in China, magazines and journals are a major vehicle for the expression of divergent opinions. Since early 1993, new journals have also acted as a focal point for the concentration of intellectual factions and fashions. The most common term used to describe this phenomenon in Chinese is *la shantou* (literally, "to occupy a mountaintop"). It denotes the fortress mentality of any group that occupies a certain intellectual/political position, uses the print media to propagate this view, and launches various offensives against its enemies or competitors.

A number of new journals that have appeared in Beijing, such as *The East* (*Dongfang*), *Excellence* (*Jingpin*) and *Chinese Culture* (*Zhongguo wenhua*), are semi-independent and in some cases funded by wealthy individuals or groups in the south. Most provide honorary editorial positions for official fossils as a form of political insurance. Other magazines, particularly those specializing in contemporary art such as *Art News* (*Yishu xinwen*), established in late 1993, are often funded with foreign money and promote China's nonofficial arts scene overseas.

THE VELVET PRISON OF CONSUMPTION

Official party ideology, what the authorities (out of habit rather, one presumes, than sincere belief), still call "Marxism-Leninism and Mao Zedong Thought" is not the main area of contention in China today.² Instead, questions related to consumer culture—that aspect of social life influenced in numerous subtle ways by the economic reforms of the 1980s and 1990s—are increasingly part of public discussion and dissident debate.

One of the central features of consumer culture is that the consumer is treated as an individual. The design, advertising, and sale of consumer items, from the most mundane to the luxurious, often contain crucial elements that are aimed at appealing to a certain

²Material in this section comes from Geremie Barmé, "China: A State of Anxiety," a chapter written for the introductory volume of the Australia-Asian Perceptions Project conducted by the Australian National University.

market niche or to buyers with a specific "economic profile." Whereas this aspect of marketing can be seen in a highly negative light, in the Chinese context, being "targeted" favorably (rather than unfavorably as in a political campaign) by advertisers is a relatively new experience. It is one that contains within it many elements that allow for the "expression of the individual."

The consumption of goods in an environment of abundance, even relative abundance, signifies radical change within China. Debates surrounding the issue of human rights in China often feature government arguments that favor group economic rights over the sovereign rights of the individual. When, however, the rights and value of the individual are cast solely in terms of the individual as consumer, then a new formula comes into operation: I shop therefore I am.

Advertisements for consumer items in China are often imported from or inspired by Taiwan, Hong Kong, and Japan. The world represented in such ads generally consists of the ideal family unit or individual as the consumer of new products. The images, clothing, lifestyle, and language of this symbolic realm are in marked contrast to sodden official party ideology. To an extent, the most egregious form of "dissent" in the Chinese media today is that of consumer discourse.

While economic reform is, on one level, aimed at advancing the lot of the majority of Chinese, it means that the choices available to individuals and groups make it possible for people to go lifestyle shopping. These imagined "lifestyles" are most commonly the sum total of what is represented in the electronic and print media, and this includes everything from television advertising to popular United States soap operas such as *Dynasty*, MTV culture, and Hong Kong-Taiwan B-grade movies, to the published tales of self-made comrades overseas.

Since last year, the government has attempted to ban viewers using satellite dishes (called *guo*, literally "wok," in Chinese) to catch nonmainland stations. Hong Kong and Taiwan have become cultural trendsetters because they are modern, their communications more developed, and their consumer cultures more sophisticated than those of the more stodgy and out-of-touch capital Beijing in the north. Even in Beijing and Shanghai people have failed to take down their dishes while many organizations argue that it is professionally necessary to keep the flow of crud from stations like Rupert Murdoch's StartV going.

As Deng Xiaoping stated at the advent of the reform era: "a group of people have to become wealthy first." Despite policy shifts and numerous setbacks, the

acquisition and flaunting of wealth is increasingly regarded as being both politically and morally good.

Intellectuals are also venturing into the market economy. The enlivening atmosphere of debate common in the late 1980s was wiped out during the purges that followed the massacre. Due to political and economic pressures—the weight of practical considerations—after June 4, 1989, Chinese intellectuals generally resigned themselves to a period of relative inactivity and observation. But in the last few years many intellectuals have begun to take a more active role, particularly in the marketplace, where many of them, as well as *soi-disant* "democracy activists" or dissidents, are getting involved in business ventures ranging from tourism to publishing.

This imperative toward economic self-transformation also has a long history in China. Moral self-correction is a central feature of both Confucian and Buddhist thought. The remolding of the physical self/the body is part of the process of becoming modern. Since the late nineteenth century many writers have commented on the need for the Chinese to transform or reform (*gaizao* or *gaige*) themselves; now people regard conspicuous consumption rather than political reform as being the fast track to renewal.

PACKAGING DISSENT

For over a decade China has witnessed the growth of "bankable dissent."³ This consists of unofficial or semi-illicit works (art, literature, music, film, and journalism) that, due to the repressive nature of state control, can accrue a certain market value regardless of (or, in some cases, despite) their artistic merits.

In the past, the party, mired in a dated ideology that was always a few plenums away from catching up with the rapid social and economic realities of the society, generally responded to cultural provocation—rock music, politically explicit art, and risqué literature—with bans and cultural purges. Reputations have been made and inflated on the basis of a modicum of talent and a large dollop of official displeasure.

Since 1990, the authorities have become victims of their own ideological schizophrenia. Economic reform has forced them to encourage ever more investment from Hong Kong, Taiwan, and overseas concerns while they attempt to maintain strict control over official culture. Purges are bad for investor confidence. While the bureaucrats might be unwilling to support or recognize non-official artists, and there still are frequent calls for the rejection of foreign and nonsocialist culture, there are increasing opportunities for others to invest in various types of "alternative culture." Many mainland rock groups, artists, filmmakers, and writers are under contract to Hong Kong and Taiwan companies. This has resulted in a form of internal cultural colonization. The values of these other Chinas filter north along with the cash flow and it is inevitable that

³The section draws on Geremie Barmé, "China's Censors Can't Beat the Market," *Asian Wall Street Journal*, January 20, 1994.

offshore dealers and markets influence the packaging of semiofficial culture on the mainland.

This traffic is by no means monocultural. Rolling Stone International (*Gunshi guoji gongsi*), a Japanese-owned Taiwan-based company that has, over the years, signed contracts with the mainland's leading naught rock'n'rollers, now has exclusive rights to the sale of Disney products to China for the next two years.

Developments in the mainland underground are closely monitored by the large exile Chinese community. Many "prodigal cultural dissidents" have recently made a tentative return to the mainland. The returnees and visitors included the New York-based artist/poet Yan Li, the peripatetic poets Yang Lian (Amherst) and Huang Beiling (Boston), and artists such as Xu Bing (New York), Huang Rui (Tokyo), and Ai Weiwei (New York). A number of them jetted back on short "shopping tours," gathering information for their future writing, or to check out the possibilities of establishing migratory careers: keeping a base overseas while maintaining a *pied-à-terre* in Beijing or Shanghai.

Such cultural figures have noted the success of the leading filmmakers (*Raise the Red Lanterns* and *Farewell My Concubine*) and even their own colleagues like the middle-aged poet Mang Ke, a founding editor of the nonofficial 1970s journal *Today* (*Jintian*), whose fictional account of his early literary career, *Unruly Acts* (*Yeshi*) was published earlier this year. They see the possibilities of using China as a backdrop for artistic endeavors that are aimed at an elite Western or Asian audience, and the exigencies of exploiting China's reputation as a repressive totalitarian state for the marketing of their work. Like their Hong Kong and Taiwan compatriots, this group, along with their nonofficial cultural colleagues in China, remain at the forefront of "Othering the Motherland," a process of maintaining and exploiting the mystique of socialist China.

It should be pointed out, however, that there are still many cultural taboos. One example is the arrest in June of the transgressive crossdressing performance artist Ma Liuming of Beijing. Ma, having stripped himself naked in his courtyard house in front of an audience of nine, proceeded to cook a large pot of sweet potatoes garnished with an earring and a watch. This stew was subsequently buried ceremoniously. But the coup de grace came when police detained the performer, his assistant, and the entire audience.

A NEWLY VIRILE NATIONALISM

In episode 16 of *A Beijing Man in New York* (*Beijingren zai niuyue*), China's most popular teleseries last year, the protagonist, Wang Qiming, a man on his way to making a fortune after a series of frustrations and betrayals, hires a local American prostitute. She is white, blond, and buxom. Wang decides to take out some of his frustrations on her.

While thrusting himself onto the prostrate pro, Wang showers her with dollar bills. As the money swirls around the bed, Wang demands that she repeatedly cry out, "I love you."

According to one Chinese critic writing in Hong Kong, this was an extremely popular scene with mainland audiences, in particular with the Chinese intelligentsia. It is also the type of encounter that has a certain paradigmatic significance about it. Some would argue that Wang Qiming's act of having his way with an American prostitute while buying her endearments with a shower of greenbacks is the most eloquent statement of the century-old, Chinese-foreigner dilemma in recent years.

When China first fell victim to the military and economic incursions of the West over a century ago, some literati pointed out that China's physical and spiritual weakness had made it easy prey for aggressive foreigners. Questions of racial and political impotence have been central to Chinese thought and debates ever since. At present economic (and eventually military) might are seen as being the panacea to the nation's lack of virility.

Whereas throughout the 1980s the Communist party emphasized its role as the paramount patriotic force in the nation, mobilizing nationalistic symbols and mythology to shore up its position, by the 1990s the situation had changed. Patriotic sentiment is no longer the sole province of the party and its propagandists.

Prior to the upheavals of 1989, there was a vocal pro-Western lobby in China. This group of previously politically engaged individuals now witness to China's impressive economic performance sees money-making not only as its most viable *modus vivendi*, but also as a revolutionary act that may presage true reform.

Indeed, since 1989, there have been numerous indications that there is a growing disenchantment with the West. People have been sorely aware that the post-'89 changes in Eastern Europe and the former Soviet Union have not been as rapid or as positive as first expected. As in many other parts of the world, there is a general belief that the West, its values and systems, have not made that much difference to post-Communist countries. For those who supported the 1989 student movement there is the added realization that if China had undergone a major political change, then the nation could well have been faced with the disorder that dogs Russia's rulers.

Coupled with this is the underlying sentiment that the world (that is, the West) owes China something. This was particularly obvious with the Olympic bid in 1993. During the campaign, the Chinese media often claimed that the rest of the world should "give China a chance." The eventual failure of the Chinese bid was seen as being orchestrated by Western bullies. The Olympic Committee's decision to give the 2000 Olym-

pics to Sydney was not only an affront to Chinese national sentiment; it was also a lost business opportunity.

As the older comrades and their dated politics fade from the scene, a major generational and ideological shift is becoming irreversible. Until now, the narrow-minded and sectarian fundamentalists favored some form of ideological constraint on the unbridled passions of national aspiration and economic power.

The Maoist worldview that gave China a vision and sense of self-worth has been dismantled. What remains is a crude pre-World War I positivism, a faith in science, material wealth, capitalism, and national strength. It is a faith tempered neither by the moderating influences of traditional culture nor by modern bourgeois angst.

Today radical views do not necessarily issue from pro-Maoist ideologues or conservatives. One firebrand is Yuan Hongbing, a Beijing University lawyer and labor organizer, whose detention in February this year put him in the front ranks of China's small public dissident movement.

In 1990, Yuan authored a book entitled *Wind on the Steppes* (*Huangyuan feng*), a blood-curdling and impassioned screed in favor of racial strength, male power, and national renewal. Yuan propounds what he calls "new heroicism," a theory that is primarily concerned with the "fate of the race" and the development of the strong man as national hero and savior.

"This race that dwells on the continent of East Asia," Yuan writes, "once shone with a brilliance bestowed by the sun. Now it has its back to the icy wall of history, driven there by the forces of History. We must prove whether we are an inferior race or not, for now Fate is pissing in our very faces." He condemns the scientific rationalism of the West as outmoded and calls for a new style of authoritarian rule (which he calls "the totalitarian style") to wipe out the selfish concerns of the individual and meld the nation into a whole.

While couched in excessively purple prose, few of the views Yuan expresses in this book—one that was banned by the authorities for "bourgeois liberalism"—are particularly new, or Chinese.

Others, like Xiao Gongqin, the Shanghai-based Republican period (1911–1949) historian who came to prominence in the late 1980s as a supporter of "new authoritarianism," are more restrained. Xiao has recently issued warnings against the dangers of weak central government control and has pointed out that local mafias, corrupt police, and economic cartels will soon have the country in a stranglehold that will leave Beijing increasingly incapable of imposing its will. Xiao sees no solution in Western nostrums or in any political alternatives to firm party rule.

Xiao and other younger and generally culturally as well as politically conservative critics write for *Strategy and Management* (*Zhanlüe yu guanli*), a Beijing-based magazine started late last year. They argue that the party you have is better than the chaos you do not. But they are also concerned by the lack of morals, the spiritual vacuity, and the cultural lawlessness of China today. They doubt that increased wealth will provide a satisfactory solution to China's immense problems, and they are interested in cultural as well as economic solutions to the country's dilemmas.

The popular Mao cult that flourished in the early 1990s also had a definite antiforeign element to it. Mao ruled a China that was effectively closed off from the West, and he instilled in the nation a sense of pride and self-worth it has lost as a result of Deng's reform policies. While Deng is admired for what he has done for the economy, Mao is revered for keeping the superpowers—the United States and the Soviet Union—at bay. Today books are produced that extol Mao's policies and apply his military strategies to modern commercial warfare, among other things.

But not all the views of the differences between China and the Western "Other" are macho and self-assertive. Wang Shuo, the Beijing novelist and master of irony, chortles instead about the superiority of the Chinese tradition of self-destruction. He claims that the Chinese know how to abuse themselves better than anyone else. In a booklength interview published in 1992, Wang said, "Generally speaking, foreigners are pretty naïve. . . They're materially extremely wealthy, but impoverished in the realm of spiritual culture. They've just cottoned on to smoking dope, and that's an artificial form of stimulation! We Chinese know how to get our kicks out of self-annihilation."⁴

Much contemporary mainland cultural work reflects a faith in Chinese uniqueness, even when it is in the negative—China is worse than anywhere else, or its problems are more overwhelming and insoluble than those of other nations—as in the case of Wang Shuo. This mindset, a faith in Chinese exclusivity, is reflected even in that particularly Westernized art form: Chinese rock'n'roll. Cui Jian, the godfather of the Chinese rock scene, claims that northern, Beijing-based rock is completely different from Hong Kong and Taiwan imports. He averred in an interview published late last year that northern Chinese can produce a robust, positive, and socially progressive type of music that is quite different from the negative and decadent rock of the West.

In the inaugural issue of *Strategy and Management*, the editor, Wang Xiaodong, writing under a pseudonym, rebutted the Harvard scholar Samuel P. Huntington's recent claim that cultural clashes between the so-called Confucian, Islamic, and Western worlds will delineate political events in the future. Wang claimed that no matter what cultural trappings are used, the

⁴Wang Yiming, *I'm Wang Shuo* (*Wo shi Wang Shuo*) (Beijing: Guoji wenhua chubans gongsi, 1992).

basic issues and causes of international conflict will remain predominantly economic.

Given the cultural confusion in China today, it is little wonder that the works of Edward W. Said (in particular, *Orientalism* and *Culture and Imperialism*) have recently made an appearance there. From mid-1993 there has been talk of Said's work on Orientalism and the imperialist West's distortion of Middle Eastern and Asian Others.

To date, most of the work on Said in China has been woefully narrow. A group of intellectuals discussing these questions in the January 1994 issue of the "liberal" monthly *Reading* (*Dushu*), averred that the deployment of Orientalism is something pursued only by marginalized Western and minority intellectuals who are trying to validate their own flimsy cultural positions. Sun Jin, a scholar of theology, expressed what seems to be a fairly widely held view: when China

becomes a truly strong nation, niggardly theoretical and intellectual questions such as Orientalism, the dichotomy between the center and the periphery, and postmodernist discourse will be easily dealt with. Then, and only then, it is argued, can China enter into an equal dialogue with the world.

As the children of the Cultural Revolution and the reform period come into power and/or money, they are finding a new sense of self-importance and worth. They are resentful of the real and imagined slights they and their nation have suffered in the past and their desire for strength and revenge is increasingly reflected in contemporary Chinese culture. Unofficial culture has reached an accommodation with the economic, if not always the political, realities of contemporary China. While the market for its products may be limited on the mainland, it is effectively packaged for offshore consumption. ■

Jialin Zhang offers an overview of China's economic reform program from a Chinese point of view. He also examines the political implications of economic reform and argues that "a middle class numbering in the tens of millions is emerging in China... The leadership will [have to] respond to its demands by carrying out political reforms...."

Guiding China's Market Economy

BY JIALIN ZHANG

Many in the West predicted that China's leaders would respond to the collapse of communism in Eastern Europe and the Soviet Union by jettisoning economic reform and closing the door to the outside world. Instead, the Chinese leadership concluded that economic failure had been the main cause of European communism's downfall; this reinforced its belief that domestic economic growth is necessary for the survival of a socialist system. With this in mind, China accelerated economic reforms and embarked on an ambitious experiment in building a market economy.

ACCEPTING THE MARKET

When it took power in 1949, the Chinese Communist party adopted a Soviet-style system of allocating social resources according to a centrally devised plan. The state allocated all resources—financial, material, technological, and human—to industries and enterprises. In a war-scarred economy, central planning proved an effective option. As the economy expanded and living standards improved, however, central planning could not rationally allocate resources to meet the demands of consumers: pricing under the command economy did not reflect the cost of products, and supply and demand did not determine prices. Moreover, there was no system of private property rights to provide incentives for individuals and larger economic entities to save, invest, and manage efficiently.

From the late 1970s to October 1984, China's macroeconomic policy underwent a turnaround, from denial of the market to acceptance of the existence of a market—on the condition that market forces operate within the framework of the command economy. The official line was: planned economy as mainstay, the market as supplement.

Reform was first introduced in the agricultural sector. Starting around 1979 a production responsibility system replaced rural communes. Under this new system, individual households are leased land for 15 years in return for a commitment to pay taxes and fulfill planned production quotas. After meeting these obligations the households can produce what they want and sell any surplus on the free market—at prices considerably higher than the official rate.

The restructuring of property rights in the countryside transformed the rural economy into a near-market economy. Agricultural output rose rapidly as this simple but sweeping reform, together with significant increases in government-set purchase prices for farm products, released the enormous energy that had been dammed up under the commune system.

These positive changes were not lost on the leadership. In October 1984 the party decided that, except for some subsistence products, all economic activity was to be regulated under "guidance-type" directives or by the market. It also granted enterprises substantial autonomy to manage their business, allowed them to retain their residual profits, and restored the bonus system. Many materials and resources needed for production that had been formerly supplied by the state now had to be ordered from the market. Likewise, vital products that had been purchased by the state now had to be marketed by the enterprises.

In 1985, prices were reformed when a two-tier price system was instituted. Fixed prices for goods produced under the state plan were to be regulated by the government, while prices for goods produced above the quota floated freely. While this distorted prices and led to widespread corruption, state firms became more sensitive to market signals in managing their supplies, production, and marketing. In addition, the two-tier system served as a crucial bridge between the less efficient state sector and the more dynamic, efficient nonstate sector, including urban collectives and rural township and village enterprises (TVEs).

The opponents of market reforms never gave up. They criticized measures such as inviting foreign

JIALIN ZHANG is a senior fellow of the Shanghai Institute for International Studies, and a visiting scholar at the Center for East Asian Studies at Stanford University. His most recent book is *China's Response to the Downfall of Communism in Eastern Europe and the Soviet Union* (Stanford, Calif.: Hoover Institution Press, 1994).

capital, establishing special economic zones and development zones, and allowing TVEs and private businesses as “embracing capitalism” and “negating socialism.” Their attacks slowed the reforms in the summer of 1989 following the suppression of the democracy movement in Tiananmen Square. To counter runaway inflation, the government undertook a retrenchment program that signified the recentralization of state power and a tight-money policy. In some areas the authorities reinstituted administrative planning. Millions of collective and private businesses were unable to get loans from banks and found it harder than ever to obtain raw materials because the government monopolized distribution in the name of recentralization.

THE NEW DISPENSATION

Not until paramount leader Deng Xiaoping's trip to the special economic zones in southern China in early 1992 did market reforms regain momentum. Deng weighed in with remarks about speeding up reform and ending the argument over what constitutes capitalism and socialism. Whether a move is “socialist” or “capitalist,” he said, depends mainly on whether or not it will benefit the living standards of the people. Socialism can make use of many capitalistic practices and forms, such as the stock market, Deng announced. A “planned economy does not equal socialism. Likewise, the market does not equal capitalism.” He chided opponents of foreign capital and joint ventures for their “ignorance” and “lack of common sense” and called for seizing the opportunity to attain a high growth rate.

This strategy of accelerated growth and enhanced economic reform was adopted as official policy at the fourteenth party congress in mid-October 1992, which recognized the legitimacy of a “socialist market economy.” Deng's remarks were widely regarded as a new theoretical foundation for further marketization of China's economy.

By early 1993 an embryonic market system had begun to emerge in mainland China. Its main features are:

Shrinking state ownership. Between 1978 and 1992 the share of the output of state-owned enterprises dropped from 56 percent to less than 40 percent of GNP; the share of collective enterprises rose from 42 percent to 50 percent; and the share of private businesses and joint ventures from 2 percent to 10 percent. According to some estimates, the state sector's contribution to GNP is only one-third, with the nonstate sector accounting for two-thirds.

The larger role of the market in allocation of resources. The number of capital goods allocated by the state declined from 256 in 1979 to 19; for consumer goods and farm equipment and supplies it fell from 68 to 15. About 70 percent of all commodity transactions go

through the market. Commodity markets, almost nonexistent before the reform, have sprung up throughout the country. By the end of 1992 some 79,300 retail markets, 2,500 wholesale markets, and more than 3,000 capital goods markets were doing business. Shanghai had even set up a futures market for metals.

Price reform. Prices of almost all consumer goods (with a few exceptions such as salt and drugs) are free from state regulation. Prices of capital goods sold on the open market have also risen. Government subsidies for grain, meat, eggs, vegetables were lifted in 1992.

The emergence of capital and labor markets. There are two national stock markets, in Shanghai and Shenzhen, and more than 700 securities brokerage firms. Many cities also have set up short-term funds markets. As new employees in state enterprises are placed on contract and management is given the power to fire workers, the evolution of a labor market is becoming a reality.

THE ENGINES OF GROWTH

Since reform began in the late 1970s, a nonstate sector has grown alongside the state-owned economy. Although this sector came under attack after the Tiananmen crackdown, it boomed after 1991. Generally speaking, the nonstate sector has consistently outperformed the state sector during the reform, and has become the driving force behind contemporary China's impressive growth.

The nonstate sector is made up of the township and village enterprises, urban collective enterprises, private businesses and self-employed operators, and foreign joint ventures. In terms of industrial output, the TVEs and collective enterprises account for 90 percent of the nonstate sector, while the self-employed and private businesses and joint ventures contribute 10 percent.

The township and village enterprises are a special type of community-owned, quasi-private economic organization. Like the responsibility system in rural areas, the TVE is distinctly Chinese, with no close parallel elsewhere in the world. The enterprises vary in ownership, management, and production, but since early 1992 many have begun incorporating into joint-stock cooperatives. One kind divides the assets of the enterprise between collective and individual shares. The dividends on collective shares are retained by the enterprise as a development and welfare fund, while the dividends on individual shares are distributed to shareholders. The enterprise is run by a board of directors elected at the annual meeting of shareholders. This type of TVE is popular in Guangdong province. Another type that predominates in Zhejiang and Fujian provinces takes the form of an alliance of capital, labor, and technology provided by individual entrepreneurs.

The joint-stock TVEs, entrepreneurial and market-oriented, have grown rapidly because they enjoy several advantages over state-owned, self-employed, and

private enterprises. Property rights are clearly defined, so shareholders have strong profit incentives and work hard. The enterprises easily incorporate into cartels and consortia within their community. Further, the separation of management from administrative organs makes it possible to evade party and government intervention. Finally, the democratization of management makes these enterprises more efficient.

The output of TVES reached \$2.7 billion in 1992, up about 23 percent over the previous year. The TVES employ more than 100 million workers, matching the total employment of state-owned enterprises. Should their growth continue at the present pace, the TVES' share in national industrial output will rise from 31 percent in 1991 to around 50 percent by the year 2000, and their employees will outnumber those of the state-owned sector.

In the early years of the People's Republic, self-employed private businesses predominated. Their share of national industrial output was about 63 percent, and in commerce, about 98 percent. After "socialist reconstruction" in the early 1950s, the private sector disappeared, and only 150 self-employed businesses survived by 1978.

As reform progressed, however, private businesses proliferated. By the end of 1992, some 139,000 licensed and registered private concerns employed more than 2 million people and had assets exceeding \$40 million. Self-employed businesses numbered more than 15 million, with about 25 million employees and assets of \$109 million.

Self-employed and private businesses have even grown in the manufacturing, construction, and service areas, and some of these have become quite large. For example, the Nande Group in Sichuan province has invested in airlines, railroad transport, high technology, finance, and education. A private company in Hainan province with assets of more than \$18 million trades its stock on the Shenzhen exchange. In Shanghai the number of private high-technology and consulting companies increased from 1,412 in 1991 to 2,348 a year later. The private sector's share of Shanghai's retail commerce and restaurant industry amounted to over 83 percent in 1992. Private night clubs, schools, and kindergartens have also mushroomed in big cities across the country.

Although the private sector is still embryonic, it is becoming more significant. Many economists argue that it is now not only a "supplement" to the nation's economy, as stipulated in the Chinese constitution, but an integral part of the socialist market economy. The formation of a new market mechanism depends on "actors of market behavior" rather than market prices. Once firmly established, these actors will contribute to a new kind of price formation that is more rational than that of the old planned economy. Without such actors, market prices may be distorted and become inflation-

ary. The nonstate enterprises in China serve in this crucial role, since they are responsible for their profits and losses. They also make for a competitive market environment, exerting pressure on the state sector and forcing state-owned enterprises to become more efficient.

Moreover, the nonstate sector is an important source of employment. Between 1980 and 1991, self-employed and private businesses absorbed 7.6 million job-seekers in cities and townships. Of the estimated 200 million unemployed laborers in rural areas, about 100 million were hired by TVES. Also, the nonstate enterprises pay taxes; for example, state tax revenues from the TVES rose to 20 percent in 1992, up from 4 percent in 1978.

The nonstate sector's impact on the economy during the course of the reform has been impressive. From 1981 to 1991, China's gross output grew 10.7 percent annually, mainly because of this sector's performance. The average rate of growth for industrial output during the period was 18.6 percent for urban and rural collectives, 160 percent for private firms, and 53 percent for other nonstate businesses, compared to 7.8 percent for the state sector. The nonstate entities also showed higher growth in productivity. If this continues, the state sector's share of the nation's output and retail sales will significantly diminish by the end of the decade.

Although the private sector has been growing faster than other sectors, its share of the economy is still negligible. Average assets per business are around \$20,700, and the average number of employees is 17. Many restrictions block further growth. No laws protect private owners in transferring, selling, or expanding their property; in fact, China does not have any laws protecting private property. But government officials and scholars are calling for a greater role for the private sector in the nation's economy, and for more deregulation. The government recently loosened controls and allowed private expansion into all industries except those related to national security, health care, and those, such as salt, tobacco, and liquor, where the state maintains monopolies.

A DRAIN ON THE STATE

In contrast to the robust nonstate sector, state-owned industry is strangling China's economy. According to official statistics, nearly 40 percent of state firms lose money—independent sources put the figure even higher, at around 66 percent. Subsidies and credit devour 15 percent of the national budget and contribute substantially to China's fiscal and financial difficulties. With the state budget's share of GNP falling from about 35 percent in 1978 to about 20 percent in 1993, the state's ability to support these firms has diminished. China now faces the problems posed by state ownership of large-scale enterprises and these firms'

monopoly grip on the economy that have plagued the former Soviet Union and Eastern Europe.

Unlike many of the countries of these regions after the fall of communism, China has emphasized public ownership as the basis of the economic system, while allowing multiple ownership forms (including private) to coexist with it. Although many economists have suggested that privatization is the only way to salvage the state-owned sector, the Chinese government has remained cautious and resistant to adopting that course. The authorities are still strongly committed to socialist principles. And the bitter experiences of Russia and Eastern Europe during the past five years have shown that privatization is not an easy solution. Fearing widespread unemployment, hyperinflation, and social disturbances that might accompany privatization, Chinese authorities have made political stability their top priority.

In the initial phase, ownership reform was applied only to a few state-owned enterprises. In most cities small, state-owned industrial firms were leased to their employees and small, state-owned stores sold to individuals. For large and medium-size enterprises, however, the government adopted a strategy of progressive decentralization within a framework of public ownership. This had little success. To be sure, there was no sharp drop in output such as occurred in the former Soviet Union and Eastern Europe, and there were some productivity gains. But the inefficient state sector still depletes the government's financial base and weakens its macroeconomic control.

Why did measures like decentralization and the responsibility system work in agriculture but fail in the state sector? The answer seems to be ownership. Simply put, rural producers, represented by the individual, family, or collective, do not have the subsidized budgets of state-owned enterprises; their spending is effectively constrained by their market performance. As long as the state firms are not similarly disciplined—and penalized by bankruptcy for failing to turn a profit—chronic losses will continue to sap the economy and drain state coffers. Although a bankruptcy law is now in place, it must be clear who has financial responsibility; therefore, property rights or ownership must be unambiguously delineated. In other words, the state should be stripped of its property rights in state-owned enterprises. Privatization seems to be the only answer.

But large-scale privatization might not work in China. Assessing the value of each enterprise is incredibly difficult. Moreover, private capital is scarce; few individuals or institutions can afford to buy state-owned firms. Thus, as a first step authorities are transforming them into joint-stock companies.

The initial purpose in introducing a stock system was to restructure state-owned enterprises so that managers and workers would have incentives to pro-

duce. Another motivation was the desire to raise capital by drawing households' savings into investment in the securities market. Joint-stock companies could then obtain the funds they needed to upgrade their physical plant and technology, compete in the market, and earn profits.

The first joint-stock corporation, the Tianqiao Department Store Company, was established in Beijing in September 1984. By the end of 1992, 3,800 enterprises across the country had followed, with 1,800 of them distributing stock to eligible people and 160 gaining the right to trade their stock publicly. In 1990 and 1991 two securities exchanges were formally established. The Shenzhen stock market specializes in the trading of stocks, while Shanghai is a comprehensive securities exchange. Although these exchanges are still small, they form the beginning of a well-developed securities market in China that will allow the more efficient allocation of capital; promote financial transparency as enterprises institute the accounting practices necessary to evaluate and publicize financial data; and help Beijing devise more effective ways to regulate the economy.

Although the government has recently begun to convert state-owned enterprises into joint-stock companies at full speed, this may not solve the fundamental problems plaguing the state sector. Because no one would buy stock in the 40 percent or more of state enterprises that lose money if they bothered to issue it, the benefits of securitizing this sector are limited. The authorities are now considering other alternatives, including forming holding companies and enterprise groups that cut across administrative boundaries to allow for the redeployment of labor; separating the functions of government bodies from those of enterprises; and continuing to auction off, sell directly, or lease, or to contract out the running of, small and medium-size state-owned enterprises to individuals and collectives. A new effort is under way: more than 3,000 small and mid-size concerns in Heilongjiang province and 7,000 retailers and stores in the capital are reportedly now being run privately, while remaining government owned.

International experience suggests that a state sector will not match the efficiency and dynamism of private business unless, at a minimum, it operates without government subsidies and is exposed to vigorous competition from a large private sector. China now places increased emphasis on solving the subsidized budget problem. But nonsubsidized budgets, implying as they do possible bankruptcies and unemployment, will be socially acceptable only when 70 million or more state enterprise workers can be weaned from dependence on the housing and pensions that go with their jobs and protected by some form of socialized unemployment compensation. The government has taken steps toward reforming the social welfare system,

including pooling pension funds, instituting some unemployment benefits, and making more low-cost urban housing available. There has also been experimentation with mergers and bankruptcy as solutions for troubled state enterprises.

ripples in the lake

Can the market for goods and services flourish over time if there is no free market for ideas? Western China watchers ask. Will reform of the economy and a more open economic policy lead to political pluralism in China? Whatever the ultimate outcome, rapid economic growth so far has been accompanied by profound changes in Chinese society.

China's class structure has changed. The rural population has declined, and the percentage of urban workers and intellectuals has grown. The number of farmers moving to nonfarm jobs rose from 28 million in 1978 to 94 million in 1990—up 230 percent. The former farmers found work in state or collective enterprises, became self-employed or private entrepreneurs, and entered the manufacturing, construction, transportation, or retailing industries. As a percentage of the labor force, workers in agriculture, forestry, livestock husbandry, fishing, and sideline activities decreased from 69 percent in 1978 to less than 58 percent in 1990, while the share of nonfarm workers rose from 31.5 percent to 34 percent; the share of self-employed and private businessmen rose from .04 percent to 3.7 percent.

As the rural population flowed into nonfarm jobs, urbanization accelerated. The population of China's cities reached 297 million in 1990, or more than 26 percent of total population, rising from less than 11 percent in 1949 and 21 percent in 1982. Projections put the proportion of city-dwellers at 40 percent by the year 2000.

The cultural and educational level of the people has significantly improved. In 1990, 33 percent of Chinese had a junior high school education or higher, up from 25 percent in 1982. The number of workers in jobs not involving manual labor rose to nearly 57 million (including 34 million professionals and technicians, 11 million managers and supervisors, and nearly that many clerks), up from 26 million in 1978. White-collar workers in industry numbered more than 7 million in 1990, up 97 percent from 1978, while the number of blue-collar workers rose by only 32 percent.

As more and more state-owned enterprises have entered the category of "owned by the state and run privately," a new class of entrepreneurs has emerged.

Its members are independent professional managers responsible for their firm's performance. Thus economic reform has generated new interest groups, nurtured a growing middle class, and contributed to a highly educated cohort of people in the cities. Any or all of these groups might demand far-reaching political reform in the near future.

As economic growth advances, political reform will become more important. A more sophisticated economy requires expertise and professional management. But effective decisions cannot be made in the same old polity. Although Chinese officials recognize that government institutions must be modified, they reject "whole-sale Western democracy" as the core of political reform. Some China watchers in the United States hold the same view. As sinologist Robert Scalapino commented in the February 8, 1993, *International Herald Tribune*: "I do not agree with those who assume that democracy, as the United States defines it, is going to sweep over the world. We are not going to have a universal form of governance. I do believe, however, that the broad trends are towards greater political openness."

Chinese leaders view with horror the growing chaos in the former Soviet Union. China's recent economic success provides the basis for stable social support for the regime, and enables Communist party chiefs to control any democratization process. Following the East Asian experience, China might initiate political reform, like that pursued before June 1989, to institutionalize legal procedures and reform government bodies. This would ensure an efficient government, but not the emergence of the civil society that many in the West hope for.

The experience in East Asia suggests that in the long run economic growth fosters a more open and democratic society. The middle class seeks participation in politics and evolutionary change. The authoritarian regimes of South Korea and Taiwan successfully completed their democratization through change from above, though the old ruling elite in these two societies managed to maintain their power in the political structure even after democratization.

The impetus for further democratization should come from within Chinese society, with international pressure abetting it, as was the case in South Korea and Taiwan. A middle class numbering in the tens of millions is emerging in China. Although a small proportion of the population, it increasingly supplies the bureaucracy with a technocratic elite. The leadership will eventually respond to its demands by carrying out political reforms. ■

Taiwan is no longer seen "as a place mainly acted on by others, [but is] increasingly cast as a wielder of power and influence in world affairs, furthering its own interests and concerns."

Taiwan Rising

BY ROBERT G. SUTTER

Supported by a strong economy and an increasingly open and pluralistic political system, Taiwan has emerged as an important actor in world affairs. The main obstacle to a greater international role is mainland China's strong opposition. Recent developments on the island, in relations between it and the mainland, and in the world at large suggest Taiwan will make larger strides in the years to come.

Beijing has considerable influence over Taiwan's future, particularly as its huge and rapidly expanding economy exerts a profound influence on decision-makers throughout Asia and around the globe. Political forces influencing government policymakers in Taipei include those who advocate positions on self-determination and independence that could jeopardize the relatively stable relations with the People's Republic and promote conflict across the Taiwan Strait. The shifts on the mainland seem to support a generally moderate stance toward Taiwan, presumably based on growing economic interdependence. While there are extreme political views floating around Taiwan, voters and politicians have repeatedly chosen a more moderate course, apparently wanting to avoid unnecessary tension while supporting Taipei's *de facto* independence.

HISTORY OF A RIFT

Historically, Taiwan was acted on by others rather than operating as a significant independent force. In the late nineteenth century the Manchu dynasty and imperial Japan came into conflict over it, among other issues. The Sino-Japanese War of 1894–1895 ended with a settlement that passed the island from Chinese to Japanese rule. Fifty years later, at the end of World War II, the Allied powers, led by the United States, agreed to return Taiwan to Chinese control. Chiang Kai-shek and Chinese Nationalist authorities sent

troops and administrators to the island. Their inept, corrupt, and oppressive rule led to a wave of dissidence and a bloody crackdown in 1947 that continues to sour relations between the Nationalist "mainlanders" and indigenous "Taiwanese."

Following the Nationalists' defeat by the Communists and the establishment of Mao Zedong's People's Republic of China in 1949, Chiang Kai-shek and about 2 million other mainlanders fled to Taiwan, where they set up the new base of their Republic of China. Fortuitously for them, North Korea's Kim Il Sung attacked South Korea in June 1950. As part of its response, the United States sent forces to intervene between the Communists and Nationalists in the Taiwan Strait, thereby assuring that Taiwan's future would be markedly different from that of Mao's China. The United States encouraged internal reform in Taiwan, helped Chiang build up military and economic strength, and promoted the Republic of China as the legitimate representative of all of China.

Taiwan's continued dependence on the United States was graphically illustrated during the shift in United States policy in Asia that began in the late 1960s. At this time a convergence of what were seen as strategic imperatives—opposition to Soviet expansion, for one—drove Beijing and Washington closer together. In particular, the United States increasingly accommodated Beijing's demands regarding policy in the triangular relationship between the United States, the People's Republic, and Taiwan. Throughout the 1970s the United States gradually cut back its military presence in the area and support for Taiwan.

In 1979 Washington ended official relations with Taiwan, including the 1954 mutual defense treaty, in order to establish formal relations with Beijing as the sole legal government of China. In so doing it put aside its earlier position that Taiwan's official status remained to be determined in favor of one in line with the contention of Chinese on both sides of the strait that Taiwan was part of China. Taiwan's international standing declined drastically. Scores of countries switched official recognition to the People's Republic, and Taiwan was excluded from the United Nations,

ROBERT SUTTER is the senior specialist in international politics at the Congressional Research Service of the Library of Congress. The views expressed in this article are the author's and are not necessarily those of the service or the library.

and was expelled or withdrew from other international organizations.

Beijing tried to exploit its new stature and Taipei's increasing political (but not economic) isolation, applying positive and negative incentives designed to bring Taiwan into formal negotiations on reunification on terms agreeable to itself. After Beijing successfully negotiated an agreement with Great Britain in 1984 calling for Hong Kong's return to mainland China in 1997, Deng Xiaoping and other senior leaders touted the "one country, two systems" approach taken in that accord as a model for reunification with Taiwan. The Chinese leadership pledged that Taiwan's political, economic, and social system would remain in place, as in the case of Hong Kong, and that Taiwan—unlike Hong Kong—would be allowed to maintain its separate defense forces.

The negative inducements employed against Taiwan were varied. Beijing warned leaders in Taipei against undue delay—sometimes alluding to possible use of force. Chinese officials pressed the United States and others with unofficial contacts with Taiwan to cut back those ties in sensitive areas, especially the sale of weapons.

TAIWAN'S DOMESTIC STRATEGY

This situation left the Nationalist administration in Taiwan facing its most serious challenge since the retreat from the mainland. Officials in Taipei were unwilling to enter into reunification negotiations. They judged that theirs would be the markedly weaker side, and that Beijing would probably use the talks to further undermine support from the United States and other countries for Taiwan as a separate entity; this could leave them little alternative but to accept Beijing's terms. Nationalist leaders were also aware that the majority of the people in Taiwan had little attachment to the mainland regime, as well as that some of them at least were deeply suspicious of their leaders' intentions toward the mainland. Thus some in Taiwan might interpret Nationalist-Communist talks on reunification as a thinly disguised effort by Nationalist officials to sell out local interests for the sake of personal gain or patriotic feelings.

Senior government positions were occupied by refugees from the mainland, and "mainlanders" (the 1949 refugees and their descendants) represented only about 15 percent of the island's population. The authoritarian, one-party state gave little voice at the national level to the "Taiwanese," the 85 percent of the population whose roots in Taiwan went back centuries and whose identification with the mainland was blurred. Nevertheless, citizens in Taiwan paid taxes, did their military service, and otherwise contributed to the support of the Nationalists. In the past, Chiang Kai-shek had been able to point to the fact that his regime was recognized as the legitimate government of China

by the United States, the UN, and others as justifying his demands that citizens of Taiwan uphold the regime. As backing from Washington and elsewhere declined rapidly, Taipei had to find new sources of political legitimacy.

Adding to pressure for political change was the rapid transformation of Taiwan's society, fueled by strong economic growth. Impatient with the lack of political responsiveness and the continued rigidity of the Nationalists, increasingly well-educated and well-off citizens at the new centers of economic power demanded a greater voice in island affairs.

Chiang Kai-shek's son, Chiang Ching-kuo, ruled as prime minister from 1972 until the elder Chiang died in 1975, and then as president from 1978 until his own death in 1988. Under his leadership the Nationalist administration adopted a reform program designed to build a strong political, economic, and social base of support for the regime on the island. The government fostered rapid economic development and modernization in the 1970s and 1980s while also promoting a relatively egalitarian distribution of wealth and social and educational benefits throughout the society (although the boom was especially beneficial for the indigenous Taiwanese, who tended to dominate the economy). A major affirmative action program brought native Taiwanese—among them the current president, Lee Teng-hui—into the ruling party, the national government, and the military. Gradual political liberalization led to local, provincial, and national elections. Voters selected some top decisionmakers, and the balloting also served as indirect referendums on the state of Nationalist party rule.

CONTROLLING THE TRADE TIDES

Economically, Taiwan continues to register considerable success, and prospects for continued growth are reasonably good. Growth slowed a bit in the 1990s, to between 5 percent and 6 percent annually. In 1991 Taipei announced a \$300-billion, six-year development plan to push the economy forward more rapidly over the decade.

The economy remains vulnerable to increases in oil prices, decline in the American economy, and protectionism in other countries, especially the United States. Growth in Taiwan depends heavily on exports, and some 25 percent to 30 percent of these now go to the United States. (Leading the way are clothing and footwear, toys, and various electronic products.) A rising tide of exports now goes to mainland China.

In recent years the Taiwanese government has attempted to accommodate increased pressure from the United States and others on trade issues. It has met many demands for greater market access for American goods and services and has responded to complaints by taking strong measures to protect United States copyrights and other intellectual property rights. The

government is showing a new willingness to arrest and punish those who violate existing law. (In the past, such culprits often received only light sentences, if they were prosecuted at all.) And the Taiwanese legislature approved important copyright legislation April 22, 1993. Last year the United States also began pressing Taiwan, as well as mainland China, to observe practices designed to halt the trade in endangered species (tiger skins and rhinoceros horns, for example). This year the United States imposed limited trade sanctions because of Taiwan's handling of such products.

Responding to pressure by Washington and others, Taiwan in the late 1980s allowed the value of its currency relative to the dollar to rise more than 30 percent. Nevertheless, a May 1992 report from the Treasury Department in Washington placed Taiwan on its list of foreign nations that manipulate exchange rates to prop up their trade balances with the United States. The United States trade deficit with Taiwan rose from just over \$10 billion in 1984 to \$19 billion in 1987. It then fell to \$13 billion in 1988 and declined to less than \$9 billion in 1993.

A different set of economic issues stem from Taiwan's large foreign exchange reserves and growing international economic power. Taiwan's large foreign exchange reserves and growing international economic power prompt United States and other foreign officials and business representatives to seek investment or financial support from Taiwan. Yet they also cause some Americans to worry that Taipei enterprises may acquire distressed American companies to gain quick entry into important markets previously dominated by the United States. A notable case in point occurred in November 1991 when the McDonnell Douglas Corporation announced it had agreed to sell a large interest in its commercial jetliner business to investors in Taiwan. Twenty-nine United States senators sent a letter to President George Bush expressing concern over the deal's implications for the American technological lead—built at great cost—in the aerospace industry. The proposed sale never went through, in part because of resistance in Taiwan.

THE DOOR OPENS WIDER

In politics, the Nationalist regime under Chiang Ching-kuo and his successor, the Taiwanese Lee Teng-hui, began reforms in the 1980s that placed the government's legitimacy more firmly in the hands of the people and reflected popular interests more closely. Martial law was lifted. Opposition parties were organized and their candidates ran in elections. Anti-secession regulations and censorship were eased and political prisoners were released.

In the current decade President Lee and the Nationalist leadership have taken the lead in the reform of national government bodies. By December 1991 all

legislators and National Assembly members who had been elected on the mainland more than 40 years before were retired. A newly elected National Assembly representing predominantly people from Taiwan began to amend the constitution; an election to make the National Legislature predominantly representative of the people of Taiwan was held in late 1992, and balloting for a new president under the terms of the revised constitution is slated for 1996.

Loosened government control and greater concern for popular opinion meant Nationalist leaders could no longer block residents from traveling to or doing business with the mainland. Although few in Taiwan showed any inclination for political accommodation with the People's Republic, business, backed by press and popular opinion, was very interested in economic opportunities on the mainland, where labor, land, and other costs were often much lower than in Taiwan. Moreover, many in Taiwan wished to visit family members from whom they had long been separated, or to travel around the mainland as tourists. Leaders of the People's Republic encouraged such trade, travel, and other exchanges.

Faced with popular calls to increase economic and other contacts with the People's Republic, the Nationalists adopted measures designed to regulate the strong flow of contacts and control their policy implications. President Lee in May 1991 ended the state of civil war with mainland China and opened the way to official contacts under the "one country, two governments" or "one country, two areas" formulas, known to be unacceptable to Beijing. To deal with the many practical details and problems that inevitably arise with extensive exchanges, an ostensibly unofficial body, the Straits Exchanges Foundation, was established, and after some uncertainty functioned effectively; the People's Republic set up a counterpart body known as the Association for Relations Across the Taiwan Straits. On July 16, 1992, Taiwan's National Assembly approved a law governing the growing exchanges with the mainland.

Trade, conducted mainly via Hong Kong, grew to \$14.3 billion in 1993 and was heavily in Taiwan's favor; it is expected to top \$20 billion this year. Taiwan investment in mainland China in 1993 amounted to \$3.52 billion, spread among 9,470 enterprises, and was said to be two-thirds of Taiwan's total foreign investment last year. Cumulative investment in the People's Republic is estimated at around \$20 billion.

FLEXIBLE DIPLOMACY

The main opposition party in Taiwan, the Democratic Progressive party (DPP), viewed the progress in relations with the People's Republic with some concern. Party leaders were careful not to stand against greater trade, investment, and other unofficial exchanges with the mainland, for which support among

the populace was strong. But they opposed the Nationalists' desire for eventual reunification, and argued for the holding of a plebiscite in Taiwan to determine the island's future status—which many assumed would yield results favoring independence. There were harsh warnings from the People's Republic that it would resort to force to prevent moves toward formal separation of Taiwan from the mainland. In elections in late 1991, Nationalist leaders reminded voters of Beijing's "threat," and successfully encouraged them to steer away from "radical" DPP candidates and support the Nationalists and the status quo.

DPP leaders have since endeavored to strike a more balanced stance on self-determination. Party officials have said their organization needs to consider the views of people in Taiwan and possible actions by Beijing before moving toward self-determination and independence. DPP politicians were notably more moderate on the issue during the December 1992 legislative elections than during island-wide elections a year earlier. Local elections in 1993 saw even less attention to the sensitive independence issue. The DPP garnered an impressive 40 percent of the vote but fewer seats than in the last such polling in 1989. Party leaders continued to capitalize on Beijing's relentless diplomatic competition with Taipei to argue that Taiwan would be better off internationally as a *de jure* separate state than with its current claimed status as the government—or at least a government—of China.

Partly in response to this challenge, Nationalist leaders have since the late 1980s pursued a more pragmatic diplomacy, and demonstrated marked flexibility over Taiwan's claim to be the sole legitimate government of China. Taipei has established official relations with countries that also have relations with Beijing. But efforts have focused on building increasingly close, albeit ostensibly unofficial, ties with countries that switched official recognition to Beijing; Taiwan's relations with Japan after 1972 and the United States after 1979 provided models. While maintaining close links with America, Taiwan's growing economic power helped broaden relations with a wide range of developed and developing countries. Diplomacy, backed by generous foreign aid, persuaded a few small states to recognize Taiwan, but more important results have been achieved through Taipei's working to upgrade ostensibly unofficial representative offices and other relations in a number of important developed and developing countries. A highlight was President Lee's ostensibly unofficial visits to the Philippines, Indonesia, and Thailand early this year.

Meanwhile, leaders in Taipei have reached a working consensus on seeking upgrading of Taiwan's membership in international political bodies, among them those that recognize Beijing as the legitimate government of China, including UN-affiliated agencies. The impetus for the UN-related effort came from the opposi-

tion, but the policy has now been firmly endorsed by the administration.

Internal reforms both political and economic have been strongly emphasized in Taiwan, both to build legitimacy at home and to make Taiwan a more attractive partner for democratic developed nations, notably the United States. In addition, the reforms opened the way to greatly increased contacts with the mainland—which aided Taiwan in easing tensions and promoting understanding, and bought time for it to come up with a workable approach for dealing with the mainland over the longer term. They also served to increase Taiwan's economic clout, which has transformed the island from a place mainly acted on by others to one increasingly cast as a wielder of power and influence in world affairs, furthering its own interests and concerns.

THE FUTURE ON BOTH SIDES OF THE STRAIT

Taiwan's image and prestige in the West improved markedly as a result of its own democratization and the crackdown by Beijing that began at Tiananmen Square in June 1989. More recently, however, the importance of the political differences between Communist China and Taiwan has blurred for Western countries. They have been attracted by Beijing's economic vitality and moved by their political and security needs to engage China in solving important problems in Asia (North Korea, Cambodia) and in world affairs (arms proliferation, restructuring of the UN Security Council).

Up to this point leaders in Taipei have been relatively effective in incrementally improving Taiwan's international position in the post-Mao period, during which mainland China has placed heavy emphasis on domestic development, a foreign policy of peace, and a Taiwan strategy that emphasizes the carrots of greater exchanges rather than the stick of military pressure and force. Some believe the mainland government will continue to enhance this general policy, eventually giving rise to political reform and generational change in the leadership that will increase Taiwan's sense of security and allow it to play an ever greater role in world politics. But economic reverses or political struggles could produce a mainland regime that takes a much harder line on sensitive nationalistic issues like Taiwan. The anticipated death of Deng Xiaoping may set off succession battles in Beijing. Alternately, economic success and political reform could unleash nationalistic feelings among the people of the mainland that would require a tougher posture on Taiwan.

That said, in the years ahead one can reasonably expect considerable advances in Taiwan's power and influence as Taipei demonstrates increased self-confidence and the will to attract support in playing a role in world politics commensurate with the island's importance.

This optimistic assessment should not lull United States policymakers into a passive position. Washington's policy for decades has striven to manage the complications associated with its relationship with Taiwan in the face of its relationship with Beijing. Experienced American policymakers long ago gave up any effort to "solve" the "Taiwan problem." Rather, they have focused on preserving a balance between Taiwan and the mainland, which has allowed the United States to continue its advantageous policy of sustaining and developing good relations with both parties. In particular, ever since the United States in the early 1970s began the process of normalizing relations with Beijing, policymakers have been sensitive to the need to reassure Taiwan of continued United States support; otherwise, it is feared, anxiety in Taipei might prompt precipitous actions contrary to America's interest in peace and stability.

Changes in Taiwan and in the rest of the world since the end of the cold war have not only reinforced the island's more prominent role in world affairs, but, in the minds of some observers, they have increased the

likelihood that Taipei will feel it has enough incentive, support, and leverage, especially vis-à-vis the People's Republic, to pursue a *de jure* independent posture from mainland China. Evidence supporting this assessment includes Taiwan's recent arms purchases from the United States and France, its attractiveness to international investors and entrepreneurs, and most important, the growing strength of opposition politicians on the island espousing independence. Under these circumstances it may be prudent for the United States to exert its traditional balancing function in a somewhat different direction—perhaps warning forces in Taiwan against precipitous action that might prompt the use of force by mainland China and a conflict in the Taiwan Strait.

Washington's ability to influence the triangular relationship will depend in part on its ability to maintain working relationships with leaders on both sides of the strait. Successful American engagement with Beijing will pay a dividend, increasing United States influence over the balance between the People's Republic and Taiwan, and presumably reducing chances of conflict. ■

BOOK REVIEWS

ON CHINA

The Rise of China: How Economic Reform Is Creating a Superpower

By William H. Overholt. New York: Norton, 1993.

431 pp., \$25.

In this almost monumental volume, William Overholt applies his economist's tools to China and hews a heroic portrait.

This is no crabbed chronology of economic reforms, or cautious assessment of their impact. Overholt, a former strategic planner at the Hudson Institute, is enthused about the capitalism Deng Xiaoping has wrought, and conveys this in the go-go spirit of a managing director of the Bankers Trust Company—which is what he is now. As he notes, China has since 1979 “grown faster economically than any large economy in history.” Many of its 1.2 billion people have been lifted out of poverty and into a different world. The region's prosperity has fostered a stability that Overholt calls “one of the great political miracles” of modern times. Overholt believes, and says the Chinese do too, that China is “once again on the path to greatness.”

This sweeping picture of unprecedented economic success and a relatively egalitarian distribution of the benefits is seductive, although it seems rather one-dimensional (unrest among workers and farmers is barely mentioned, and the gap between rich and poor regions is quickly dismissed). Overholt is convinced high growth and the gradual positive social change that has accompanied it in South Korea and Taiwan can continue almost indefinitely in China, if the pitfalls he points out and rapidly leaves behind are avoided. The world, his book insists, should be far more excited by China's transformation than it has been up to now.

Overholt praises the Communist policymakers for what he sees as their pragmatic—neither socialist nor capitalist—strategy for “sequenced” reform, arrived at through observation of smaller Asian success stories and some trial and error. He details the leadership's building of a coalition of groups that benefited from the reforms (“800 million people—not a bad start on a coalition”) and finally rendered the changes irreversible, and the vision behind the special economic zones that drive the process. At length and with professional gusto, he describes the cultivation of the financial markets now enabling yet more development, which he likens to “connecting up a nuclear reactor to a grid of ancient power lines serving industries long deprived of power.”

Overholt acknowledges the tradeoff in today's People's Republic between economic growth and political

stability on the one hand and individual freedom on the other. He admits the regime is repressive, though he doesn't seem particularly bothered by this and claims most Chinese aren't either, so long as they're making money. As have others, he compares China with “democratic” Russia and much of eastern Europe, where, in his view, the West pushed its democratic-capitalist ideology like a bad drug while the place fell apart. The intellectual bankruptcy of the Western approach, he concludes, is plain to see. Chinese leaders, however, know that “Economic reform precedes freedom, and freedom precedes democracy.” Prosperity, far from being a trickle-down affair, is a rising tide that lifts all boats and leads almost inevitably to democracy—though not necessarily the Western version of it. Continuing in this vein, Overholt views Tiananmen as a regrettable hiccup in the march of progress, focused on by the Western media to the exclusion of all the good news from China.

It's William Overholt contra mundum again. While claiming to be far ahead of others who see things in China a different way, the author expends significant energy running back to bash them, while giving their actual analysis little close attention. On top of his regular self-publicizing (“Most notably, I played a central but quiet role in the Philippine Revolution”), this undermines his credibility.

The 130 pages devoted to Overholt's home base, Hong Kong (bits of which appeared in a cited article in *Current History*), also bog down the book; many readers probably exit at this point. Hong Kong in a work like this should be China's window on the world rather than a byzantine subject in its own right. Also detracting from the magisterial effect are a certain repetitiousness and dozens of typos.

The last four American presidents all come in for criticism from Overholt for some or all of their Asia policy. The author warns the current administration against “expressions of American values” such as trade sanctions that could lead to increases in China's military spending and even a new cold war. He seems confident in the wonder-working powers of economic growth, which he believes will deliver the material goods, social welfare, low unemployment, and, eventually, democratization. Whether industrial growth is a good thing is never questioned; China's already terribly damaged environment, for example, never comes up. Are the 18,000 Avon ladies in Guangdong province a pure measure of progress, and are the profits to be made there the primary reason Westerners should be interested in China's fate?

Alice H. G. Phillips

Yangtze! Yangtze!

By Dai Qing. Translated by Nancy Liu, Wu Mei, Sun Yougeng, and Zhang Xiaogang. Toronto: Earthscan, 1994. 295 pp., \$14.95.

Deng Xiaoping once stated, "Only when we realize democracy in our nation's political life with a readiness to welcome and accept different views from the public, can we avoid serious mistakes and correct the minor ones in a timely fashion." Watching Deng's regime stifle debate over the Three Gorges dam project on the Yangtze River in Hubei province, it is obvious this "readiness" is far from a reality in China.

Yangtze! Yangtze! is a collection of essays, interviews, and statements by Chinese scientists, intellectuals, and journalists opposed to the planned series of dams and hydroelectric generating stations, the largest public works project in China since the Great Wall. The book is a milestone in China's Communist history because it represents the first use of large-scale public lobbying by intellectuals and public figures to influence government decision making. Banned by the Chinese government soon after its release in 1989 on the grounds that it "abetted the turmoil" surrounding the democracy movement that year, the book's chief editor and China's best-known woman journalist, Dai Qing, was arrested after the Tiananmen Square massacre and jailed without trial for 10 months. Even today criticism of the dam is an offense punishable by fine and imprisonment.

According to the documents reprinted in *Yangtze!*, the project is a technological, structural, and environmental danger. Claims by the dam's proponents that it will control flood damage, improve navigation, and increase the supply of electricity in the region are refuted by the arguments in the book. Detailed chapters explain how the same services can be provided more safely, more simply, and at a lower cost.

The main obstacle the dam's opponents face is that for the Communist party leadership, this is "much more than just another large-scale project." It is a throwback to an era in which massive engineering feats were undertaken by the people for the glory of the country and the party. Three Gorges is evidence of the Chinese government's "determination to inspire people to collective action for national goals." In the face of advancing capitalism and demonstrations for greater individual freedom, the dam reasserts the authority of a besieged central government. If only China can save socialism, the dam may be intended in part as "political CPR" for a Communist party whose future grows more uncertain with each breath Deng Xiaoping takes. The dam is also an enormous sinecure to which many powerful people are tied.

By pursuing what many experts agree is a disastrous course of action and not allowing the people to debate the issue, the Chinese government clearly displays the moral bankruptcy of its cause. The dam's opponents

express their views not for personal gain but because they truly care about their country. In stifling these patriots, the party actually increases the power of their message, for who would try to silence a voice with no meaning? *Yangtze! Yangtze!* may be one of the most important books to come out of China in a long time. The ideals the book stands for—opposition to a government that has broken faith with the people, freedom of speech, and patriotism—provide the impetus behind the forces for change and democratization in China.

George Wang

Black Hands of Beijing:**Lives of Defiance in China's Democracy Movement**

By George Black and Robin Munro. New York: Wiley, 1993. 390 pp., \$24.95.

Black Hands of Beijing describes in vivid detail the democratic dreams and unrequited hopes of a handful of inspiring men and women, the "black hands" of the title. ("Black," for the Chinese Communist party, is the antithesis of "red"—therefore bad—and black hands are doubly damnable because they manipulate others.)

The authors are both respected China specialists. George Black, who was until recently foreign editor of *The Nation*, and Robin Munro, with Asia Watch in Hong Kong, witnessed firsthand the crushing of the 1989 Tiananmen Square movement. Their book is well researched, with copious footnotes and an excellent index, and Washington's recent delinking of human rights and trade makes it even more timely. But beyond its historical interest, this is a compelling and poignant story, full of bitter ironies.

The book concentrates on three heroes of the democracy movement, following their lives until they intersect in 1989 and thereafter providing a virtual hour-by-hour account. Theorist Chen Ziming, the creator of China's most respected independent think tank, and the charismatic Wang Juntao, the deputy editor of the journal *Beijing Spring*, had as teenagers played leading roles in the original, 1976 Tiananmen incident. In 1989 they unsuccessfully attempt to exert a moderating influence on the passionate student demonstrators. Han Dongfang, a railroad worker in Beijing, bursts on the scene in that crucial year, when he convenes China's first independent labor organization, and soon earns the title "the Lech Walesa of China."

Women's participation in the movement, while relegated by the authors to a supporting role, may appear to many readers even more astonishing than the men's. In the most wanted list issued after the Tiananmen crackdown, the authorities used a picture of Wan Zhihong in her Western-style wedding dress. Wan, who married her childhood sweetheart Chen Ziming in 1981, collaborated with him in building a network of think tanks. The couple's attempt to escape the security dragnet after June 4, traveling incognito

and using secret passwords, suspends readers in anxiety. Chai Ling also cuts a dramatic figure. "Even though our shoulders are still soft and tender, even though death seems to us weighty, we have gone—we could not but go!" was the battle cry of this militant psychology student at Beijing Normal University. Her tomboyish air combined with her eloquence and personal magnetism evoked comparisons to Joan of Arc.

The authors forcefully convey the grim conditions under which the dissidents are held in cells like "oversized, upended coffin[s]." When the prisoners complain, "pound[ing] on the iron door of the cells, scream[ing] into the silence of the corridor until hoarse and breathless," the guards respond by handcuffing them.

The persistent emotional impact of its strong imagery compels one to think of this book as a film in which a Steven Spielberg shoots through the iron bars into the prison cell, as through the porthole of the steel doors at Auschwitz, to reveal the sacrifices brave individuals are making in the defiant struggle for democracy in China.

Rafique Kathwari

Deng Xiaoping and the Making of Modern China

By Richard Evans. New York: Viking, 1994. 339 pp., \$27.95.

Richard Evans, who was the British ambassador to China from 1984 to 1988, thanks for their help with his first book the Chinese People's Association for Friendship with Foreign Countries, the Central Committee's Research Department on Party Literature, and the Deng Xiaoping Study Group. His biography of the paramount leader follows Deng's "extraordinary career" closely, almost entirely from the angle of party politics. His respect for his subject, three times purged and three times rehabilitated and still exercising influence, is palpable.

Devoting himself at a tender age to revolutionary activity, Deng's private life remains remote, so Evans is constantly running into walls and left to cite with hushed attention some fairly banal details ("Deng broke his right leg when playing billiards in 1958. Photographs show that he walked with a stick at least until April 1961. His injury was therefore very slow to heal.") Finding very little about his childhood in Sichuan province as the son of a small landowner who later commanded a militia of several hundred men, Evans sails with the teenage Deng to France, a participant in a half-cocked scheme to bring basic education and anarchist values to Chinese guest workers in French factories that soon backfires. His education interrupted, overworked and mightily underpaid, he becomes a Marxist and a professional revolutionary, sojourning five years in France.

Deng returns to a China torn by the civil war. His years as a "political soldier" and participant in the Long March and later, after the Japanese invasion, as a

"military politician" promoted up the ladder, are not exactly vividly rendered. He marries his second wife, one of the 30 or so women on the Long March, at the beginning of a paragraph, and she leaves him for a political opponent and dies by paragraph's end.

Nine years younger than Mao, Deng was turning out propaganda and in no physical danger during the march—though sharing its privations—while history was being made. Mao first notices him directly in the book on page 134, when he points him out to Khrushchev as a cadre of outstanding ability.

Deng arrives in what is now called Beijing only in 1952, but in four years he rises from regional party chief to one of the six most powerful people in China. He attracts attention at a party congress, criticizing the bureaucracy and the cult of the personality. Witnessing the crushing of the "Hundred Flowers" movement after just five heady weeks of "blooming and contending" ideas in China, Deng dismissed "big democracy"—popular action by the people to show their desire for change in the party: "Some young people always believe that big democracy can solve problems. We don't agree with the practice of big democracy. . . Hungary practiced [it] and will take several years to recover. . . Poland also went in for big democracy and will take quite a long time to recuperate."

The Great Leap Forward and the Cultural Revolution are launched, and tens of millions die, with Evans involved in high-level party politics and barely whispering against Mao or Deng, who was there beside the leader in the party secretariat. (Evans simply notes that Deng was not as fond of exalted language as his boss, or as convinced of the regenerative power of ideology.) Mao's third wife, Jiang Qing, is cast as the villainess, and she is responsible for the purging of Deng from the party in 1967, so that he spent most of the Cultural Revolution under house arrest. There is a moment when Deng is forced to kneel at a "struggle meeting" and berated by Red Guards when readers get a glimpse of what the protagonist felt, but there is almost no feeling in the book for the millions of ordinary and promising Chinese whose lives were blighted by Mao's two great undertakings.

In the latter chapters, Evans shows Deng fighting determinedly for his political rehabilitation and, once in power, at age 72, leading diplomatic and especially economic changes in China, substituting development for class warfare. He paints Deng as a "champion of his country" who had "put China on the map internationally and brought it renown," and also as a political reformer, if only of the Communist party. Evans says Deng was angered by the military operation against the demonstrators in Tiananmen Square in June 1989—but mainly, readers infer though the author is not even willing to admit that Deng must have approved the attack, because it was too drawn-out and messy and there were too many reporters around. Now that Deng

has retired, with the Chinese economy churning away and the world happy to do business with it, there is 'no one in the new leadership, or anywhere else in the country, who remotely approach[es] him in stature.'"

A. P.

Sowing the Seeds of Democracy in China: Political Reform in the Deng Xiaoping Era
By Merle Goldman. Cambridge: Harvard University Press, 1994. 426 pp., \$39.95.

Boston University professor and long-time China observer Merle Goldman has written an extremely important work on the intellectual elites who have worked so hard to bring democratic change to China—albeit change through the party-state. Lucid and immediately accessible, *Sowing the Seeds of Democracy* is an essential work for anyone who wants to evaluate the prospects for a democratic China.

William W. Finan, Jr.

Dilemmas of Reform in China: Political Conflict and Economic Debate
By Joseph Fewsmith. Armonk, N. Y.: M. E. Sharpe, 1994. 289 pp., \$19.95.

"Let them make money" seems to have become the Chinese Communist response to popular discontent, or the possibility of it; the corollary, so often heard in the West, that this imperative will inevitably translate into one man, one vote, if only the forces of capitalism are left to work their ways, is not the subject of Joseph Fewsmith's book. Fewsmith has, instead, given us a detailed examination of those who have allowed the Chinese to find salvation in the almighty yuan—and how they made those decisions in the past decade. For Fewsmith, people—not "world historical forces"—do matter when it comes to change, and nowhere is this more true than in the decisions handed down by the Chinese Communists to allow the market to emerge in China. *Dilemmas of Reform in China* provides explicit evidence that politics in China is intensely personalistic, and that, however tedious the process, understanding the people who make policy is the best perspective from which to divine what the future holds for China.

O. E. S.

Chinese Intelligence Operations
By Nicholas Eftimiades. Annapolis, Md.: Naval Institute Press, 1994. 169 pp., \$29.95.

The premise of this book is simple: China spies. But the extent and the sophistication are hardly overwhelming (they are, evidently, not very good at it, something Eftimiades notes himself). That the author, a Defense Intelligence Agency analyst, quickly achieved his 15 minutes of television fame on the book's publication is perhaps more testimony to that medium's insatiable appetite for the new than anything of significance in the work he has produced. However, this is not to

devalue the obviously painstaking research he conducted, or detract from the book's value as an outline of Chinese intelligence efforts.

O. E. S.

Red in Tooth and Claw: Twenty-Six Years in Communist Chinese Prisons
By Pu Ning. New York: Grove Press, 1994. 228, pp., \$21.

In this volume, Chinese dissident author Pu Ning has adapted fellow dissident Han Wei-tien's journal. Han is a survivor of 27 years in the "labor correction" system of Chinese justice; he believes he survived to serve as witness to the hidden horrors of Mao Zedong's regime. The book begins with Han's jailers throwing him down a well 14 years into his prison odyssey (he had been arrested in 1951 for working with the Kuomintang). During his 2 years in the well, he loses his sight, his strength, and any sense of time. His coping mechanisms, from hollowing out a "house" to philosophizing about human existence, are fascinating, but his will to survive the ordeal—remarkable in the light of the hundreds of punishments he receives for protesting his treatment—is based on the love and comradeship he found while constructing the Chinghai-Tibet highway in the 1950s. There he met Yelusa, his personal savior and great love, a Tibetan nationalist who died while fighting against the People's party and their "Democratic Renovation." Her story temporarily brightens Han's graphic retelling of his various psychological and physical tortures. At times it is difficult to believe the extreme cruelty of the Communist guards; Han, wondering why they wouldn't let him die, explains: "I think no reasonable answer can fully justify the Communists' treatment of their fellow men. As they are malicious, so are they capricious." Han's release and return to Taiwan in 1979 is a relief for both Han and the reader: Han receives his due peace and the reader has the opportunity to attempt to absorb Han's overwhelming tale.

O. E. S.

ALSO ON CHINA

The Political Logic of Economic Reform in China
By Susan L. Shirk. Berkeley: University of California Press, 1993. 399 pp., \$48, cloth, \$15, paper.

American Studies of Contemporary China
Edited by David Shambaugh. Armonk, N. Y.: M. E. Sharpe, 1993. 381 pp., \$55, cloth; \$22.50, paper.

China's Far West: Four Decades of Change
By A. Doak Barnett. Boulder, Colo.: Westview Press, 1993. 688 pp., \$39.95, cloth.

The Chinese and Their Future: Beijing, Taipei, and Hong Kong
Edited by Zhiling Lin and Thomas W. Robinson. Washington: American Enterprise Institute Press, 1994. 554 pp., \$39.75.

ALSO RECEIVED

The Oxford Companion to Politics of the World
 Edited by Joel Krieger. New York: Oxford University Press, 1993. 1,056 pp., \$49.95.

With contemporary politics tending toward implosion or explosion while trying (it claims) to embrace ever more people and their causes, a reference work of this kind is increasingly tricky. For this massive tome, its editors tell users, they decided to forgo the dictionary approach of "dispersing information" across thousands of brief, dry, narrowly conceived entries. Instead, they confined their nearly 500 scholarly contributors, who include Labor Secretary Robert Reich and Garry Wills, to 650 discussions in which "recurring patterns of information" would appear. Virtually all the world's countries get space—if only under "Commonwealth of Independent States"—as do major events, leaders and thinkers, movements, concepts, forms of government, institutions, and some but not that many international organizations. Current history is covered up to mid-1992: the Soviet Union is dissolved and Nelson Mandela released from jail, but just barely, and some entries, frustratingly, only get through 1989. Sometimes authors wax philosophical, as in the articles on totalitarianism ("might best be defined as participatory despotism"); liberalism ("a protean doctrine. . . If we are to understand liberalism, we need to pay attention to its most determined critics"); and prostitution ("Financial or material compensation for sex may be differentiated as prostitution or may be integrated in relationships such as marriage or dating"). Users are aided by several cross-referencing schemes and bibliographical sources listed after every article.

O. E. S.

Forever in the Shadow of Hitler

Edited by Ernst Piper. Translated by James Knowlton and Truet Cates. Totowa, N. J.: Humanities Press, 1993. 275 pp., n.p.

Assassins of Memory:**Essays on the Denial of the Holocaust**

By Pierre Vidal-Naquet. New York: Columbia University Press, 1992. 205 pp., n. p.

Denying the Holocaust:**The Attack on Truth and Memory**

By Deborah Lipstadt. New York: Free Press, 1993. 278 pp., \$22.95.

"Genocide is the absolute integration, everywhere under way, in which men are leveled, trained, to use the military term, until, fused with the concept of their utter inanity, they are literally exterminated. . . Absolute negativity is foreseeable; it no longer surprises anyone."

As the specter of genocide again haunts our conflicted world, these words of Theodor Adorno, a German Jewish social philosopher forced to flee Eu-

rope during World War II, have even greater resonance. The National Socialists' campaign to annihilate Jews and other groups between 1933 and 1944 was the farthest down the path toward utter inanity and therefore absolute negation that human beings have traveled. Such a direction only furthers hatreds that result—especially when modern technology is available to them—in blood and death. Clearly any discourse tempting us even ever so subtly toward destruction must be struggled against vigorously.

The books under review represent three distinctive perspectives within the larger question of how the Nazi's attempted extermination of the Jews is being appropriated at a time increasingly vulnerable to the currents of nationalism and ethnic conflict. *Forever in the Shadow of Hitler*, an ungainly yet vibrant book, is a collection of essays written during 1986 by 26 prominent German intellectuals and published in popular German periodicals. The 42 pieces included here were deemed the most important of hundreds offered in what has been called the *Historikerstreit*, or the Historians' Debate. Carried out in the media, this debate was an open dialogue on the collective German memory of the Nazi annihilation. *Forever in the Shadow of Hitler* is lumpish because no design shapes the book, beyond the coarse chronological progression of debate; these always interesting and often brilliant essays from diverse individuals pile up one on the other.

Yet taken as a whole the book is a living document, itself a spirited slice of history. It becomes apparent that by interpreting their past and sharing their findings with the community these intellectuals are helping shape the identity of the Federal Republic at a time of radical change. The basic conflict is between those who would resuscitate some variant of the old German national patriotism and those who find this appalling. The stakes could not be higher.

Michael Sturmer, a professor of history specializing in the Nazi period, writes, "the future is controlled by those who determine the content of memory, who coin concepts and interpret the past." Sturmer, the historical adviser to Chancellor Helmut Kohl, leads fellow conservative historians Ernst Nolte, Andreas Hilgruber, and Klaus Hildebrand in retooling national pride through a revision of the Nazi era that softens its demonic reputation and integrates it into a relatively continuous untroubled past.

Jurgen Habermas, the Frankfurt philosopher and intellectual heir to Theodor Adorno, is the first of many to denounce these public efforts. He condemns them as a dangerous "neorevisionist" attempt to normalize morally reprehensible memories and therefore buttress the conservative political agenda of the current Kohl government as it seeks world prominence once again for the German nation.

A prime example of what Habermas calls the "apologetic manufacturing of images" occurs in an

essay by Ernst Nolte. Nolte relativizes the Nazi crimes by proposing the existence of a "causal nexus" between the original "left-wing" Bolshevik extermination of the Kulaks and the later, reactionary "right-wing" Nazi attempt to annihilate the Jews. The Nazis thus committed an "Asiatic deed" to prevent Germany from falling victim to an "Asiatic deed." Given this scenario, perhaps Hitler was justified in acting against the Jews, widely perceived to be "liberal-Bolshevik." Simply stated, by comparing the German atrocities to others, especially those of the Soviet Union, the neorevisionists seek to escape the burden of German guilt. It (genocide) has happened before, they say, and will happen again. Germany is not so different after all.

In the course of the debate the neorevisionists address most everything about the Nazi period except the brutal fact of mass murder, which is not directly confronted, but rather worked around. This evasiveness, their critics fear, could be responsible for the resurrection of the wildly dangerous old-style German nationalism.

Ultimately, at the end of 1986, as the Historians' Debate winds down, the neorevisionist tendency is condemned by a majority of intellectuals in Germany. The powerful critique of the neorevisionists that Habermas spearheads is meant to uphold the constitutional patriotism of the Federal Republic created in imitation of other Western democracies upon the collapse of the National Socialist state. Remembering the victims of German aggression is essential to the maintenance of democratic practices founded on a respect for human dignity born from the rejection of violence. Habermas writes, "Can one be liable for the context of the origins of such crimes, with which one's own existence is historically woven, in any other way than through common remembrance of that for which one cannot atone other than in a reflective, testing attitude toward one's own identity endowing traditions?"

Assassins of Memory, a collection of five essays written between 1981 and 1987 by Pierre Vidal-Naquet, is infused with a deep melancholia. Not even the most apologetic of the many distinguished contributors to *Forever in the Shadow of Hitler* denied the reality of the Nazi atrocities. This fact renders absurd the charlatans around the globe who propose that the murder of 6 million Jews did not take place. Nevertheless, Vidal-Naquet, a French historian of the ancient world, believes that those who would deny the annihilation represent a grave threat to the Jews, to the discipline of history, and to truth because they are involved in the project of destroying memory.

The existence of so fraudulent a threat to the traditions he values is the basis for the gloomy world view that highlights the beauty of Vidal-Naquet's keen ethical sense and his readily apparent love of scholarship. He takes solace in the fragments of truth he labors to reveal.

The author is always scrupulous in his effort to keep separate his roles as a Jew and a Historian, the two traditions through which he seeks truths and from which he approaches the phenomenon of denial. As a member of the Jewish community and so particularly aware of the importance of memory in uniting that community across time and distance, Vidal-Naquet is deeply disturbed by the perversity of those who wish to perpetuate physical annihilation by assassination on paper and in speech. His roots in the rabbinical teachings, he is able to explain the uniquely destructive effect the denial of the most harrowing events in Western history have on a people for whom preservation of the memory of struggle and perseverance is sacred. He also criticizes the contemporary Jewish community for the way they have dealt with some contemporary struggles, deploying the morality of their tradition to gain an advantage against the enemies of that tradition.

Vidal-Naquet the historian argues that as a member of the last generation to have a direct memory of the annihilation, he has a duty to preserve that memory by writing and talking about it. Thus he struggles against the current effort by the deniers to transform actual events into myth, employing the discipline of history to dismantle the methodology behind the lies. This he does efficiently and successfully. His heroism proceeds from his perseverance despite his disheartened conclusion that forgetfulness and moral relativism reign.

Denying the Holocaust, by Deborah Lipstadt, holder of the Dorot Chair in Modern Jewish and Holocaust Studies at Emory University, is like *Assassins of Memory* in that it seeks to condemn the increasingly common phenomenon of denial, refusing to engage in a direct dialogue with the deniers but by exposing the methodology of denial to reveal its bogus character.

Lipstadt gives readers a solid account of the development of denial, creating a chronological narrative that includes the antecedents of denial, the beginning of denial during World War II, the relation to the radical right, and the recent presentation of denial in the guise of social science. Lipstadt is especially good when talking about the specific historians and right-wing activists, including Arthur Butts, the professor of electrical engineering at Northwestern University who wrote *The Hoax of the Twentieth Century*. She also makes it clear that the threat is growing because denial is becoming more sophisticated, especially in the United States, by manipulation of the First Amendment. Especially fresh is her analysis of the effort by the deniers to infiltrate American college campuses through the student newspapers.

Denying the Holocaust does not run into difficulty because of what is included, but because of what is excluded. In the subtitle and throughout the book Lipstadt stresses the centrality of truth and memory.

Yet the one-sidedness of her polemic is an indication that she does not adequately account for the complexity of these concepts; she dissects the various manifestations of the phenomenon of denial through the twentieth century and then poses against these the totality of "the Jewish state, its supporters, and Jews in general."

In contrast, Vidal-Naquet in *Assassins of Memory* took on responsibility for the historians' "loss of innocence." He placed himself within the Jewish community and then offered a variety of critiques of Israel, Zionism, the Jewish rabbinical tradition, French Jewry, and American Jewry, among other elements of the community. Lipstadt, who seems to be positioning herself within the same community, engages in no such critical account.

In *Forever in the Shadow of Hitler* the neorevisionist

historians sought a continuous, unencumbered memory of their national traditions; Habermas rightly condemned them and demanded that the German people critically examine ambivalent memories. Lipstadt's uncritical perspective is similar to that of the neorevisionists, if not the deniers, in that it is resistant to self-knowledge and therefore to essential aspects of truth. In her outdated and incidentally, very American perspective there are still good guys and bad guys, there is an "us" and a "them." A more sophisticated conception of moral struggle would recognize the presence of both virtues and vices in each group and each individual. Only in this way can boundaries be transcended and dialogue created to dissolve tribal anger.

G. Scott Aikens



FOUR MONTHS IN REVIEW

APRIL-JULY 1994

INTERNATIONAL

European Union (EU)

- June 13—In elections held yesterday for the 597 seats in the European Parliament, Conservatives and Christian Democrats in Italy, France, Spain, and Germany gained seats; Socialists, however, retained their majority in the body.
- June 24—In Corfu, member countries sign a Treaty of Partnership and Cooperation with Russia. Under the terms of the pact, Russian industries will receive limited protection in the EU, most Russian exports will be free from quotas, and in 1998 Russia and the EU will negotiate a free trade agreement.

Austria, Sweden, Norway, and Finland are formally invited to join the EU in 1995.

- July 15—The leaders of the EU's 12 members select Luxembourg Prime Minister Jacques Santer as the next president of the EU executive commission; he will succeed Jacques Delors in January 1995.

General Agreement on Tariffs and Trade (GATT)

- April 15—In Marrakesh, Morocco, representatives of 109 of the 125 member countries sign a trade liberalization and tariff reduction treaty agreed to at the end of the 1986-1993 Uruguay Round of GATT negotiations. Under the treaty a World Trade Organization will be formed to monitor the global economy.

Middle East Peace Talks

- April 29—In Paris, Israel and the Palestine Liberation Organization (PLO) sign an economic accord that, once the operational agreement on Palestinian self-rule in the Israeli-occupied Gaza Strip and the West Bank town of Jericho is signed, will allow Palestinians in the 2 regions to set up a tax administration, open banks, create a monetary authority, and conduct their own import-export trade.
- May 4—In Cairo, PLO chairman Yasir Arafat and Israeli Prime Minister Yitzhak Rabin sign an agreement on the 1st phase of Palestinian self-rule in the Israeli-occupied territories. Under the terms of the accord, Israel will withdraw its troops from the Gaza Strip and the West Bank town of Jericho and allow Palestinians a degree of self-rule there. A 24-member Palestinian National Authority with legislative and executive powers will oversee the 5-year interim period, but Israel will retain control of foreign relations. Jewish settlements in the Palestinian areas will remain under Israeli control, as will Gaza's border with Egypt and border crossings into Jordan.
- July 25—In Washington, Israeli Prime Minister Rabin and King Hussein of Jordan sign an agreement to end the state of war that has existed between their 2 countries since 1948.

Organization of African Unity (OAU)

- June 6—South Africa becomes the organization's 53d member.

United Nations (UN)

- June 2—A commission set up to collect evidence of war crimes in Bosnia and Herzegovina formally accuses Bosnian Serbs of genocide against and systematic rape of Bosnian Croats and Muslims.

- June 3—In a briefing of Security Council members, Hans Blix, the director of the International Atomic Energy Agency, says North Korea's removal of almost three-quarters of the 8,000 fuel rods at its nuclear reactor at Yongbyon has made it impossible to determine whether plutonium was extracted for the production of nuclear bombs.

- June 23—South Africa, which was suspended 20 years ago, is readmitted to the General Assembly with voting rights.

- July 21—The Security Council approves the recent deployment of 3,000 Russian troops to monitor a cease-fire in Georgia's breakaway region of Abkhazia; 136 UN observers are to observe the Russian troops.

- July 31—The Security Council adopts a resolution that clears the way for a US-led invasion of Haiti to topple the military government should current sanctions fail to bring about the restoration of democracy.

World Bank

- May 2—The World Bank announces a 3-year, \$1.2-billion development package for the proposed Palestinian entities in the Israeli-occupied Gaza Strip and the West Bank town of Jericho. The program will begin when the formal self-rule agreement is signed.

AFGHANISTAN

- June 26—Forces loyal to President Burhanuddin Rabbani oust troops under the command of Prime Minister Gulbuddin Hekmatyar and General Abdul Rashid Doestam from Kabul, the capital; in 2 days of heavy fighting 28 people have been killed and about 210 wounded. The 2 sides have been fighting since January 1.

ALBANIA

- July 2—Former President Ramiz Alia, the country's last Communist head of state, is sentenced to 9 years in prison for abusing power and violating citizens' rights.

ALGERIA

- June 18—Yusef Fathallah, head of the Algerian Human Rights League, is assassinated in Algiers. No group takes responsibility for the killing.
- July 7—In the port of Djedjen, 7 Italian sailors are found murdered; Islamic militants are believed responsible, *The New York Times* reports.
- July 11—Seven foreigners and 4 Algerians were reportedly killed in political slayings today.
- July 17—Oman's ambassador to Algeria, Hilal bin Salem bin Hamoud al-Siyabi, missing since July 15, is reported safe and in good health at an undisclosed location by the state news agency; the whereabouts of Yemen's ambassador, Jassem Askar Jibran, who disappeared at the same time, is not mentioned.

ARGENTINA

- July 6—Between 30,000 and 60,000 people gather in Buenos Aires to protest government economic policies and social programs that they believe have doubled unemployment and left them in poverty.

- July 18—At least 17 people are killed and 127 wounded when a truck bomb is detonated in front of the Buenos Aires headquarters of the country's main Jewish organization, the Delegation of Argentine Israeli Associations.
- July 21—More than 150,000 Argentines gather in Buenos Aires to protest the bombing of the Jewish community center 3 days ago. *The New York Times* reports the death toll from the bombing has reached 43; authorities fear it may reach 100.
- July 22—A Lebanon-based Islamic group, the Partisans of God, takes responsibility for the July 18 bombing.

BELARUS

- April 12—Prime Ministers Vyacheslav Kebich of Belarus and Viktor Chernomyrdin of Russia sign a treaty unifying their countries' monetary systems. Under the pact, all monetary and credit controls would be handled by Russia's central bank, and customs barriers would be lifted; Belarus would also be allowed to buy Russian oil and gas at below-market prices. The 2 parliaments must ratify the treaty.
- July 11—Results released today from yesterday's runoff in Belarus's 1st presidential election show former Communist party member Aleksandr Lukashenko has defeated Prime Minister Kebich, winning more than 80% of the vote to Kebich's 14%; Kebich resigns his post.

BOSNIA AND HERZEGOVINA

- April 2—The International Committee of the Red Cross announces it will try to evacuate 9,000 Muslim and Croat residents from the northwestern town of Prijedor; Bosnian Serbs have killed 20 Muslims and Croats there since March 29.
- April 3—Bosnian Serbs have killed 47 people in the eastern town of Gorazde and wounded 207 in 6 days of attacks, Sarajevo radio reports; Gorazde is a UN-declared "safe area."
- April 4—The Red Cross announces it will postpone the evacuation of Prijedor because Bosnian Serb forces have refused to provide safe passage for evacuees.
- April 11—For a 2d day NATO planes bomb Bosnian Serb positions in Gorazde after Serb troops failed to heed UN warnings to stop attacking the safe area.
- April 16—A British jet under NATO command is shot down over Gorazde by Bosnian Serb forces while attacking Serb positions.
- April 22—NATO warns Bosnian Serbs, who are continuing to shell Gorazde, to stop their attacks today and remove all troops at least 1.9 miles from the town or face additional air strikes. The UN reports that Serb attacks on Gorazde yesterday killed 59 people and wounded 143.
- April 24—Serbs withdraw from Gorazde in accordance with the April 22 NATO ultimatum; UN peacekeepers enter the town to monitor the withdrawal.
- April 30—A UN official reports that UN peacekeeping troops exchanged fire with Bosnian Serbs inside the 1.9-mile exclusion zone around Gorazde; 1 Serb was killed and 2 were wounded.
- May 1—The UN and Bosnian Serbs report an April 29 clash near the town of Tuzla, 50 miles northeast of Sarajevo, after Serbs fired on a UN position; 9 Serbs were killed and 4 wounded. This is the largest ground conflict between UN and Serb forces since the war began.
- May 18—The UN cancels relief flights to Tuzla following the bombing of the airport there yesterday by Bosnian Serbs.
- Bosnian Serbs release 11 French aid workers after their organization pays \$44,000 for their release.
- May 31—The Bosnian Muslim-Croat federation, established March 18, elects Kresimir Zubak, a Croat, president, and Ejup Ganic, a Muslim, vice president. The federation claims

- it should be awarded 58% of Bosnia in any peace settlement; Bosnian Serbs currently hold 72% of the country's territory.
- June 15—The UN reports that in the past day, 462 Muslims and Croats have left the northwestern town of Banja Luka; at least 3,104 people have left the area since April 22. The UN estimates that about 50,000 Muslims and Croats remain in the northwest; 550,000 lived there before the war began.
- July 4—The US officially opens an embassy in Sarajevo.
- July 20—*The New York Times* reports that Bosnian Serbs have refused to accept an unconditional peace plan proposed by international negotiators July 5; the plan would have given the Bosnian Muslims and Croats 51% of Bosnia and Herzegovina and the Bosnian Serbs 49%.
- July 21—Bosnian President Alija Izetbegovic withdraws the government's initial unconditional approval of the July 5 peace plan.
- July 27—One British UN soldier is killed and 1 is wounded when Bosnian Serbs attack a UN convoy south of Sarajevo.

BRAZIL

- April 15—Brazil agrees with creditor banks on a restructuring of its \$49-billion foreign debt; the agreement will cut Brazil's debt to foreign banks by \$4 billion and reduce interest owed by \$4 billion.

BURUNDI

- April 7—Sylvestre Ntibantunganya, the president of the National Assembly, becomes interim president after President Cyprien Ntaryamira and Rwandan President Juvénal Habyarimana were killed in a plane crash in Kigali, Rwanda, yesterday. Ntaryamira and Habyarimana were returning from talks in Tanzania on ending Hutu-Tutsi conflict in both their countries; as many as 100,000 Burundians have died in fighting between Hutus and Tutsis since Ntaryamira's predecessor, Melchior Ndadaye, was assassinated in a Tutsi-led coup attempt in October 1993.
- April 24—The army shells Kamenge, a northern suburb of Bujumbura, the capital, where Hutu militants are entrenched. The militants have issued a communiqué declaring they plan to "liberate" the country.
- April 25—The army reports it thwarted an attempt by Tutsi paratroopers yesterday to topple the government.
- July 27—State radio reports that several days of fighting between Hutus and displaced Tutsis returning to their homes in Muramvya province, 25 miles east of Bujumbura, the capital, have left an estimated 200 people dead.

CAMBODIA

- April 5—First Prime Minister Prince Norodom Ranariddh says Thailand helped Khmer Rouge leader Pol Pot escape into Thailand last month when government troops seized the rebels' headquarters in the northwestern town of Pailin.
- April 19—Khmer Rouge forces recapture Pailin. At least 55,000 refugees have reportedly fled their homes in Battambang and Banteay Meanchey provinces in the northwest because of rebel attacks in government-held areas.
- May 4—Khmer Rouge rebels retake the western town of Phum Thmei.
- July 3—The government announces it foiled an attempted coup overnight, saying that between 200 and 300 soldiers marching on Phnom Penh, the capital, surrendered to government troops about 20 miles outside the city. Prince Norodom Chakrapong, 1 of the coup's 2 reported leaders, was put on a plane for exile in Kuala Lumpur, Malaysia, today. The Interior Ministry says General Sin Song, now under arrest, has confessed to plotting the coup.

CHINA

- April 1—In Beijing, police arrest Wei Jingsheng, the leader of the 1978–1979 Democracy Wall movement.
- April 23—The government releases Wang Juntao, a leader of the 1989 democracy movement serving a 13-year prison sentence, and sends him to the US for medical treatment.
- May 10—Yu Haocheng, a dissident who was formerly chief editor of the Public Security Bureau's publishing house, will be granted an exit visa and allowed to lecture in the US, *The New York Times* reports.
- June 10—China conducts an underground test of a hydrogen bomb, one of a new generation of miniaturized warheads, in Xinjiang province.
- June 12—Three local men are sentenced to death for the robbery and murder in March of 24 tourists from Taiwan and the crew of a sightseeing boat on a lake in eastern Zhejiang province. Authorities initially said the people died in an accidental fire; unofficial reports say government troops were involved.
- July 5—Five days after the US threatened to impose trade sanctions over the issue, the National People's Congress approves new copyright regulations.
- July 31—The Securities Regulatory Commission orders a halt to new stock listings for the rest of the year to stem declines on the country's 2 exchanges associated with the government's tight-money policy; the 3-year-old Shanghai exchange has lost 80% of its value since February 1993, most of it in the last 3 months.

COLOMBIA

- May 6—In a 5–4 decision, the Constitutional Court says drug use by individuals is protected under the constitution.
- June 1—The government bans the public use of cocaine and marijuana; drug use is restricted to private homes.
- July 15—Near the town of Orito, 350 miles southwest of Bogotá, 24 soldiers guarding oil installations run by the state-owned company Ecopetrol are killed in a clash with leftist guerrillas believed to be members of the Revolutionary Armed Forces of Colombia.
- July 30—More than 100 guerrillas and nearly 50 members of security forces have died since fighting began 2 weeks ago between the Revolutionary Armed Forces of Colombia and the government, *The New York Times* reports.

CUBA

- July 1—A boat carrying 137 Cubans lands in Florida; this is the largest group of Cubans to seek asylum since 1980.
- July 23—The Communist party newspaper *Granma* reports that 32 Cubans attempting to leave Cuba drowned July 12 after a tugboat they had stolen collided with another Cuban boat.

EGYPT

- May 10—In Cairo, more than 2,000 lawyers protest the death in police custody of Abdel Harith Madani, a lawyer who defended Muslim militants.
- May 16—A government coroner confirms that Madani was tortured while in police custody; human rights groups have said the lawyer was tortured to death on government orders. Interior Minister Hassan el-Alfi has promised an official investigation.
- July 16—A military court sentences 5 Muslim militants to death for the August 1993 attack on Interior Minister el-Alfi in Cairo; the attack wounded the minister.

GAMBIA

- July 23—Soldiers mount a bloodless coup; President Dawda Jawara, elected in 1970, was at the time of the coup visiting an American warship, and has taken shelter there.

GEORGIA

- May 14—In Moscow, Georgia and the breakaway region of Abkhazia sign a cease-fire agreement that calls for the deployment of troops from the Commonwealth of Independent States along the Inguri River, which separates Abkhazia from Georgia.

GERMANY

- May 23—In Berlin, a special assembly of members of parliament and delegates from states elects Roman Herzog, Chancellor Helmut Kohl's candidate, president of Germany. Herzog will step down as chief justice of the Constitutional Court.

GUATEMALA

- April 1—Epaminodas González, the president of the Constitutional Court, is assassinated; no one claims responsibility; in May 1993 González ruled that President Jorge Serrano's attempt to seize absolute power was unconstitutional.
- June 23—In Oslo the Guatemalan government and leftist guerrillas agree to set up a commission to investigate human rights abuses that have occurred during the country's more than 30 years of civil war.
- July 23—Police discover 1,000 bodies of people who may have been killed by government security forces in the 1980s.

HAITI

- April 7—In Washington, ousted President Jean-Paul Aristide announces he will terminate the 13-year-old pact between the US and Haiti that allows the US Coast Guard to intercept refugee boats and repatriate the passengers; the US says it will not stop the practice.
- April 26—Human rights workers report an army massacre of Aristide supporters in Gonaïves on Friday; the army says 6 people were killed during a search for weapons.
- May 11—Parliament names Supreme Court Justice Émil Jonaissant president.
- May 22—A UN embargo against all trade with Haiti except for medicine and some foods takes effect; the Security Council voted unanimously May 6 to impose a strict embargo, in addition to the fuel embargo imposed last fall, if the military, which ousted Aristide, did not allow him to return to power.
- July 4—More than 150 Haitian refugees drown when their boat capsizes off the Haitian port of Saint Marc.
- July 13—UN and Organization of American States human rights monitors leave Haiti after being expelled by the Haitian government yesterday.

HUNGARY

- May 30—Official results from the final round of parliamentary elections held May 29 show the former Communists, regrouped as the Socialist party, won a 15-seat majority in the 386-seat parliament, capturing 35% of the vote; Gyula Horn, the party leader and the last Communist foreign minister of Hungary, will become prime minister.

INDIA

- June 4—India launches a ballistic missile in a test flight over the Bay of Bengal; the government says the new weapon

does not contravene international agreements limiting long-range missiles.

July 24—Bodo militants massacre about 20 Muslim settlers from Bangladesh at a relief camp at Bansbari, in Assam state in India's northeast; 2 attackers are killed by guards. A week of clashes between the 2 groups, sparked by the ambushing and murder 9 days ago of 7 police officers investigating the killing of 2 Muslims by Bodo, has left more than 40 dead and hundreds wounded and 20 villages destroyed.

INDONESIA

April 24—*The New York Times* reports on rioting last week in Medan, Indonesia's 3d-largest city, by laborers calling for higher pay and information on the death of a union activist in March; an ethnic Chinese factory owner was killed and more than 100 businesses owned by ethnic Chinese were vandalized.

June 21—The government shuts down 3 major magazines, including the country's leading news magazine, *Tempo*, whose recent coverage, it says, has not been "sound"; one of the other publications, *DeTik*, published a series of articles implicating senior officials and friends of President Suharto in a \$436-million banking scandal.

IRAN

June 20—A bomb is detonated at the Imam Reza mausoleum in Meshed; the government reports 25 people died and 70 were wounded. The People's Mujahideen, an Iraq-based opposition group, claims responsibility.

IRAQ

April 14—US jets shoot down 2 US helicopters over the no-flight zone in northern Iraq, killing the 26 people aboard. The pilots say they believed the helicopters belonged to Iraqi forces breaching a post-Persian Gulf War ban by the winning coalition on Iraqi flights over Kurdish areas in the north and Shiite Muslim areas in the south.

May 29—Iraq announces that President Saddam Hussein will assume the prime ministership from Ahmed Hussein Khudayir al-Samarrai. Khudayir will continue in his other post as finance minister.

IRELAND

May 22—The Ulster Volunteer Force, an underground Protestant group, claims responsibility for an attack in Dublin yesterday at a fundraiser for Sinn Féin, the political arm of the Irish Republican Army, that killed 1 person and wounded another.

ISRAEL

April 6—A Palestinian suicide bomber believed to be a member of the Islamic fundamentalist group Hamas detonates a car bomb next to an Israeli bus picking up students in the northern town of Afula; 8 people are killed and 44 wounded.

April 8—Israel imposes an indefinite ban on the entry of Palestinians into the country from the occupied West Bank. Hamas has threatened multiple attacks against Jews in response to the February 25 massacre at a West Bank mosque by a Jewish settler.

April 14—A Palestinian bomber blows himself up on an Israeli commuter bus, killing 5 passengers and wounding 30.

April 19—The Israeli government arrests hundreds of suspected members of Hamas in the Gaza Strip and West Bank.

May 8—One hundred seventeen unarmed members of the Temporary International Presence, a monitoring group cre-

ated by the Israeli-PLO peace accord signed May 4, enter Hebron.

May 17—Hamas militants kill 2 Israeli settlers in Hebron. Yesterday 10 Palestinians were wounded in clashes with Israeli settlers and soldiers in the town.

May 31—Israeli soldiers kill 2 fugitive Hamas members in the town of Al Ram in the West Bank; witnesses say the men were shot without warning.

June 1—Israeli soldiers wound 17 Palestinians during an attack on the police station in the West Bank town of Ramallah.

June 8—The government releases 180 Palestinian prisoners as part of the Palestinian self-rule agreement signed May 4 in Cairo; under the agreement, about 5,000 Palestinian prisoners were to be released by today, but about 2,500 of these are still in jail.

June 16—Israel frees 170 Palestinian prisoners, including 2 former Hamas leaders.

June 26—A government commission investigating the February 25 massacre of 29 Muslim worshippers at a Hebron mosque finds that the Israeli perpetrator, Baruch Goldstein, acted alone, but criticizes Israeli security procedures.

July 13—Israel refuses to allow 4 officials from the Palestinian National Authority to enter Gaza and Jericho; 2 of the Palestinians were allegedly involved in a 1974 attack on an Israeli school in Maalot.

July 17—Palestinian workers riot after they become frustrated by the long wait at a Gaza Strip border crossing near Erez; Israeli soldiers kill 2 and wound 100, including 5 Palestinian police officers.

July 18—Israel closes off the Gaza Strip indefinitely.

July 19—An Israeli soldier is killed at the border between Egypt and the Gaza Strip; Hamas claims responsibility for the killing, announcing that it was in retaliation for the Palestinian deaths in the July 17 border riot.

July 22—Israel reopens its border with the Gaza Strip.

ITALY

April 6—Official results from March 27–28 parliamentary elections show allied right-wing parties gained a majority in the lower house, with Silvio Berlusconi's new party, Forza Italia, winning 155 seats; Umberto Bossi's Northern League, 106; and the neo-Fascist National Alliance, led by Gianfranco Fini, 105. Rightists captured 150 of 326 seats in the Senate. Two out of three legislators were not re-elected, largely because of Tangentopoli (Bribe City), the 2-year-old national corruption scandal.

April 29—A panel of judges in Milan sentences Sergio Cusani, a financier associated with the defunct Ferruzzi industrial group, to 8 years in prison for fraud and bribery; this is the 1st sentence to be handed down in the Tangentopoli scandal.

May 11—Berlusconi is sworn in as prime minister, along with 25 cabinet ministers from the 3 parties of his right-wing coalition; the new government includes 5 members of the neo-Fascist National Alliance.

May 18—The Senate approves the new cabinet by a slim margin, 159–155.

May 24—In Milan, 32 politicians and executives are ordered to stand trial in connection with an alleged \$94 million in bribes paid by the Ferruzzi conglomerate as part of the Tangentopoli scandal; the defendants include Umberto Bossi, leader of the Northern League, 1 of the 3 parties in the governing coalition, and former Prime Ministers Bettino Craxi and Arnaldo Forlani; also among the 32 are past leaders of all 5 parties represented in Italy's governments since World War II.

July 9—A Milan judge orders Paolo Berlusconi, the brother of

the new prime minister, and 19 others, including Bettino Craxi, to stand trial on bribery charges.

July 21—Parliament votes, 413 to 33, to rescind the July 14 cabinet decree barring investigating magistrates from ordering preventive detention in corruption and other specified cases; some 1,100 suspects, including former Health Minister Francesco De Lorenzo, have already been released under the decree.

July 29—Magistrates in Milan order that Paolo Berlusconi, who surrendered to authorities today, be placed under house arrest.

In a court in Milan, Craxi is found guilty of fraud in connection with the 1982 collapse of Banco Ambrosiano and sentenced in absentia to 8 1/2 years in prison; Craxi fled to Tunisia several months ago.

JAPAN

April 8—Prime Minister Morihiro Hosokawa announces he is resigning. Parliament is investigating a personal loan of almost \$1 million extended to Hosokawa by a Tokyo trucking company, which distributed money to politicians to gain political influence; revelations about these helped Hosokawa's reformist coalition oust the Liberal Democratic party last year after 38 years in power. Hosokawa has said he repaid the loan.

April 26—Foreign Minister Tsutomu Hata takes office as prime minister after his selection by the governing coalition; Hata, a conservative, is 1 of the founders of Shinseitō (the Japan Renewal party), which broke with the Liberal Democrats (LDP) last year.

The Socialist party announces it is breaking with the governing coalition; Tomiichi Murayama, the party leader, says the move is in response to the formation yesterday by the coalition's 5 conservative parties of a parliamentary bloc freezing the Socialists out.

April 28—Hata forms Japan's 1st minority government in 40 years; his coalition has only 182 of the 256 votes needed to pass legislation in parliament.

May 7—Justice Minister Shigeto Nagano, a former army chief of staff, is dismissed after calling the 1937–1938 Rape of Nanking a “fabrication”; as many as 200,000 Chinese were killed by Japanese troops in the massacre.

June 25—After 2 months as prime minister, Hata resigns, just before a scheduled vote in parliament on a no-confidence motion.

June 29—After the LDP joins forces with the Socialists, the lower house of parliament selects Socialist Tomiichi Murayama as Japan's 4th prime minister in a year. The Socialists, the 2d-largest party in parliament, last held the prime ministership in 1946.

July 1—At a news conference in Tokyo, Murayama says he no longer opposes Japanese troops' participation in UN peace-keeping missions, and withdraws his party's traditional backing for North Korea.

KOREA, NORTH

May 22—*The New York Times* reports on the government's announcement last week that it is removing spent fuel rods from the nuclear complex at Yongbyon; International Atomic Energy Agency inspectors are still seeking to measure the rods to determine if any plutonium was diverted from the reactor after a 1989 shutdown.

June 13—The Foreign Ministry announces that North Korea is withdrawing from the International Atomic Energy Agency and will no longer allow IAEA inspectors inside the country; it also asserts that not all the provisions of the nuclear Non-Proliferation Treaty apply to it. Without IAEA inspection, adherence to the treaty cannot be verified.

June 18—After mediation by former US President Jimmy Carter, Kim Il Sung and Kim Young Sam, the presidents of North and South Korea, say they will attend a summit meeting on nuclear tensions on the peninsula.

July 9—The state media reports President Kim Il Sung died yesterday at 82 after suffering a heart attack.

July 11—North Korea tells Seoul it is indefinitely suspending the 1st-ever summit meeting between the 2 Koreas, which had been scheduled for July 25 to July 27 in Pyongyang, North Korea's capital.

July 20—At a memorial service for Kim Il Sung in Pyongyang, hundreds of thousands of people, along with army and labor leaders, pledge loyalty to Kim Jong Il, his father's presumed successor; this would be the 1st dynastic succession in a Communist country.

KOREA, SOUTH

July 27—At a news conference in Seoul arranged by the intelligence service, Kang Myong Do, introduced as the son-in-law of North Korean Prime Minister Kang Sung San and said to have defected 2 months ago, says the north has 5 nuclear bombs and might make 5 more at Yongbyon.

KUWAIT

June 4—Five Iraqis and 1 Kuwaiti are sentenced to death for attempting to assassinate former US President George Bush during a visit to Kuwait in April 1993; 7 other defendants have been given prison sentences ranging from 6 months to 12 years, and 1 has been acquitted.

LATVIA

July 22—Parliament passes a revised citizenship law that allows most non-Latvians born in the country to be naturalized by the year 2000; the original legislation, setting an annual limit of 2,000 naturalizations, drew a warning from the EU that it endangered Latvia's bid to join the organization.

LEBANON

April 27—Israeli jets attack suspected pro-Iranian guerrilla bases in southern Lebanon; earlier, Party of God guerrillas had attacked Israeli and South Lebanon Army bases in the area.

May 10—Israeli warplanes bomb bases of the Popular Front for the Liberation of Palestine south of Beirut, killing at least 2 guerrillas.

May 21—Israeli soldiers abduct Mustafa Dirani, an Islamic guerrilla leader, near Qasr Naba; the Israeli government believes Dirani has information about a missing Israeli pilot.

June 2—Israeli planes attack a Party of God camp near the Syrian border, killing at least 30 guerrillas. Guerrillas fire rockets into northern Israel in retaliation.

June 13—Yusef Shaaban, a member of the PLO's Fatah Revolutionary Council, testifies in court that he was responsible for the 1988 bombing of Pan Am flight 103 over Lockerbie, Scotland. There is no proof of his claim.

LESOTHO

April 14—Soldiers kill Finance Minister Selometsi Baholo and hold 4 other ministers for several hours before releasing them; diplomats say the incidents resulted from a mutiny in the army and were not part of a coup attempt; the government last week announced plans for an inquiry into fighting between army factions in January in which at least 5 soldiers were killed.

LIBERIA

July 1—A militia that earlier in the week kidnapped 6 UN military officers from the mission to Liberia releases the remaining 4; 2 others were freed yesterday.

MALAWI

May 21—Bakili Muluzi is sworn in as president after May 17 presidential and parliamentary contests that were the country's 1st multiparty elections since independence in 1964; Muluzi defeated Kamuzu Banda, 92, who had ruled for 3 decades.

MEXICO

April 4—Authorities charge 3 men in connection with the March 23 assassination of Institutional Revolutionary party (PRI) presidential candidate Luis Donaldo Colosio in Tijuana; in all, 5 men have been arrested for the murder, although the assassin, Mario Aburto Martínez, says he acted alone. It is believed that at least 5 men helped clear the path for Martínez to shoot Colosio.

April 29—The Tijuana chief of police, José Federico Benítez López, is assassinated; Benítez had voiced doubts about the official account of Colosio's murder. No one claims responsibility for the killing.

May 5—Subcommandante Marcos, the spokesman for the rebel Zapatista National Liberation Army (EZLN), resumes talks with chief government negotiator Manuel Camacho Solís and mediator Bishop Samuel Ruiz García in Chiapas state; negotiations were suspended after Colosio's assassination. The rebels rose against the government January 1 and signed a cease-fire January 10 after the government promised to change policies affecting indigenous peasants in Chiapas.

June 14—Some 2,000 peasants blockade government offices in Oaxaca state for a 2d day, demanding help for poor Indian farmers.

June 17—Solís resigns as chief government negotiator in the peace talks with the Zapatistas after his efforts are termed a "failure" by new PRI presidential candidate Ernesto Zedillo.

July 13—The investigation of Colosio's assassination is closed; the special prosecutor, Miguel Montes García, says the assassin acted alone.

July 14—Responding to widespread criticism of the investigation, President Carlos Salinas de Gortari agrees to reopen the Colosio case.

MYANMAR

April 22—The military government frees 33 political prisoners under a 1992 amnesty for those no longer considered a threat to national security; it has released 2,000 people under the amnesty, but hundreds of political prisoners remain in custody.

NIGERIA

April 4—An annual survey of illegal-drug trafficking released today by the US State Department for the 1st time places Nigeria on the list of offenders; according to the report, an estimated 35% to 40% of the heroin and large amounts of the cocaine entering the US are supplied by networks run by Nigerians with their government's collusion.

June 11—Moshood Abiola, the apparent winner of last June's annulled presidential election, is sworn in as president at a ceremony in a park in Lagos. Abiola, who heads the opposition National Democratic Coalition formed last month, had been under apparent house arrest.

June 23—Abiola is arrested by the government.

June 28—In Abuja, the capital, a constitutional convention called by General Sani Abacha, the head of the military government, and scheduled to last 4 months, is adjourned for 2 weeks after working only 1 day; the government says the adjournment is because of inadequate facilities for the 369 participants. A date for the ending of military rule will be announced after the conference is over, Abacha said at the convention's opening ceremonies yesterday. The 9-member provisional council now ruling Nigeria must approve any recommendations the conference makes.

July 6—The government files treason charges against Abiola in a court in Abuja, the administrative capital.

The 12,000-member oil and gas workers union goes on strike, demanding an immediate return to democracy. The government declares the strike illegal.

July 9—The Nigerian Labor Congress, the country's most powerful labor organization, demands the government free Abiola within 10 days and halt political arrests and trials.

July 17—Ten major unions with millions of members nationwide are reported to be on strike.

July 18—Beko Ransome-Kuti, president of the Campaign for Democracy, reports that at least 20 people were killed in pro-democracy protests in Lagos today.

July 28—On the 1st day of Abiola's treason trial, police open fire on youths during a pro-democracy demonstration; at least 5 people are killed and 15 wounded; the Campaign for Democracy reports that 1 of its workers was killed.

PALESTINIAN NATIONAL AUTHORITY

May 11—Three hundred officers of the new Palestinian police force enter the Gaza Strip in the 1st transfer of police under the peace accord Israel and the Palestine Liberation Organization signed May 4. Palestinian police will be stationed throughout the Gaza Strip and West Bank town of Jericho; Israeli police will retain jurisdiction over Jewish settlements in the 2 areas.

May 13—Jericho is officially handed over to the Palestinians.

May 18—The last Israeli soldiers leave the Gaza Strip.

May 20—Islamic militants kill 2 Israeli soldiers at a border crossing in the Gaza Strip.

June 10—International donors, including the US, Norway, Japan, Canada, and Saudi Arabia, pledge \$42 million in aid to the Palestinians; last October donors pledged \$2.4 billion in aid, \$700 million of it to be disbursed in 1994.

July 1—PLO chairman Yasir Arafat enters Gaza, beginning a tour of the newly autonomous entity.

July 2—In Gaza, Arafat visits the Jabaliya refugee camp, where the Palestinian intifada, or uprising against Israel, began in 1987.

July 5—Arafat flies to Jericho and is sworn in as chief executive of the Palestinian National Authority.

July 29—Responding to the July 25 peace agreement between Jordan and Israel, the Palestinian National Authority shuts down pro-Jordanian newspapers and magazines.

PANAMA

May 14—Results from balloting held May 8 show that Perez Balladares of the Democratic Revolutionary party was elected president, with 33% of the vote.

July 7—Panama says it will no longer abide by an earlier agreement with the US to provide a safe haven for 10,000 Haitian refugees.

July 19—A bomb explodes on a commuter flight headed for Panama City, killing all 21 people aboard; no group takes responsibility.

RUSSIA

- April 4—At a congress of the ultranationalist Liberal Democratic party in Moscow, delegates vote to give party head Vladimir Zhirinovskiy complete power over all party affairs until April 2004.
- April 27—In Damascus, Russia and Syria sign military, economic, and scientific cooperation agreements as part of a Russian campaign to revive special ties with Arab countries; Deputy Defense Minister Boris Kolokolev says Russia will sell only defensive weapons and spare parts to Syria.
- April 28—At the Kremlin, most of the parliamentary factions and 20 of the 21 semiautonomous regions sign a political truce with the government; the signatories pledge that there will be no political violence before the next presidential election, scheduled for mid-1996, and say they will not seek early elections or major changes in the constitution; the Communist and Agrarian parties do not sign the pact.
- May 25—President Boris Yeltsin issues decrees ordering the federal government to cut basic taxes between 10% and 20% on all businesses and to eliminate export quotas. Russia currently levies a 13% tax on corporate profits and a 23% value-added tax.
- June 4—The Western creditor nations of the Paris Club announce a debt rescheduling agreement with Russia that will allow installments due this year to be paid over 15 years, with no payments for the 1st 3; the pact will save Russia more than \$7 billion this year. Russian foreign debt stands at \$80 billion, of which \$45 billion is owed to the governments of the group. An agreement in principle on Russia's 1992 and 1993 debts to banks in the so-called London Club, which amount to about \$26 billion, remains unsigned, mainly because of questions about security in case of default.
- June 10—Yeltsin signs a decree lifting restrictions on foreign banks operating in Russia that ban them from serving Russian companies and residents.
- June 22—In Brussels, Foreign Minister Andrei Kozyrev signs the Partnership for Peace agreement; 20 other countries, including several former members of the Warsaw Pact, have already signed the US-initiated accord; the program involves cooperation between NATO and non-NATO countries during joint military exercises and in peacekeeping situations.
- June 23—In Washington, Prime Minister Viktor Chernomyrdin signs an agreement with US Vice President Al Gore that will allow US oil companies to develop oil and gas reserves in the Sakhalin Islands. In a 2d pact, Russia agrees to stop extracting weapons-grade plutonium from nuclear waste at its power plants.
- June 26—Three thousand Russian troops begin a peacekeeping mission on the border of Georgia and its breakaway province of Abkhazia called for under a May 14 cease-fire agreement.
- July 5—The US and Russia sign an accord providing for US cooperation against organized crime in Russia. Russian officers will be trained by the FBI, and an FBI office will be opened in the US embassy in Moscow. The joint effort will be directed against gangs trafficking in drugs and plutonium.
- July 11—In Naples, Yeltsin participates for the 1st time in a Group of 7 meeting. Changing its policy, Russia calls for an end to both government-sponsored terrorism in Iran and the Arab trade boycott against Israel.
- July 23—Yeltsin names Yuli Vorontsov, Russia's representative at the UN, as ambassador to the US.
- July 26—Estonia and Russia agree to end their dispute over the withdrawal of Russian troops from Estonia. Russia agrees to withdraw the last 2,000 troops by August 31, the previously agreed-on date. Estonia pledges to allow all Russian officers who wish to to apply for residency, no longer categorically

excluding those born after 1930; it retains the right to expel retirees deemed harmful to society.

- July 29—The price for a share of MMM, Russia's largest investment company, falls below 50 cents after the firm's promise yesterday to buy back shares at about \$60; the government had warned investors MMM was a pyramid scheme. More than 10,000 investors storm the Russian commodities exchange and MMM offices in Moscow, hoping the company will buy back shares.

RWANDA

- April 6—President Juvénal Habyarimana, leader of the country since 1973, is killed, along with President Cyprien Ntaryamira of Burundi and 8 other passengers, in the suspicious crash of Habyarimana's jet at the airport in Kigali, the Rwandan capital. The 2 presidents, both Hutus, were returning from peace talks in Tanzania mediated by other regional leaders aimed at resolving conflict between Hutus and Tutsis in Rwanda and Burundi. The Rwandan government and the Tutsi-dominated guerrilla Rwandan Patriotic Front (RPF) agreed in August 1993 after 3 years of fighting to a peace pact monitored by 2,500 UN troops, but the power-sharing arrangement called for by the agreement is still not in place. Tutsis make up about 14% of the population of Rwanda, and Hutus about 85%.
- April 7—In Kigali, gunmen reported to be members of the Hutu-dominated presidential guard kill interim Prime Minister Agathe Uwilingiyimana, the leader of the Hutu opposition, along with 10 Belgian UN peacekeepers defending her; many members of the political opposition are also murdered. Kigali is in a state of anarchy, with the presidential guard and elements of the army attacking civilians, mainly Tutsis, and gangs of youths, many of them armed by the government, roaming the streets. The government has accused the RPF of shooting down the president's plane yesterday, while Tutsis say right-wing Hutus in the military opposed to power sharing were behind the crash.
- April 8—The UN reports that the army and police in Kigali have agreed to a cease-fire and named an all-Hutu interim government including Theodor Sindikubwabo as president and Jean Kambanda as prime minister.
- April 12—The interim government flees Kigali for the town of Gitarama, 35 miles away. RPF fighters enter the capital.
- April 13—Nearly 1,200 refugees are massacred in a church in Mushya, 25 miles east of Kigali; the presidential guard is believed responsible.
- April 17—In Nyarubuye, a remote village about 20 miles east of Rusumu, government-trained militiamen end a 2-day massacre, during which they killed as many as 1,000 people.
- April 21—The UN Security Council votes to cut the UN peacekeeping force in Rwanda to 270, from 2,500 at the beginning of the month, because of the deteriorating security situation. The RPF has said all foreign soldiers not out by April 15 would be considered "hostile."
- April 23—Theogene Rudasingwa, the RPF's secretary general, announces the group's quest to "liberate" the country and calls on the army to halt massacres by its forces; rebels control the capital and northern Rwanda.
- April 29—The RPF closes the border with Tanzania after about 250,000 refugees cross it in 1 day; most of the refugees appear to be Hutus fleeing the rebel advance.
- May 22—In Kigali, the RPF takes control of the airport and the Kanombe army barracks. The UN High Commissioner for Refugees says many refugees in Tanzania have reported assaults on unarmed civilians by RPF forces.
- Uganda says as many as 40,000 bodies have washed down the Kagera River in Rwanda into the Ugandan side of

Lake Victoria in recent weeks; the river flows through mainly government- and Hutu militia-controlled territory.

May 24—The chief of operations for the International Committee of the Red Cross estimates that between 200,000 and 400,000 Rwandans have died in violence since April 7.

May 31—In Kigali, a UN peacekeeper from Ghana is killed by an exploding shell; evacuations from and relief shipments to the capital are halted.

June 8—At a church center in the southwestern city of Kibagaye, rebel soldiers assigned to guard them kill Vincent Nsengiyumva, the Roman Catholic archbishop of Kigali, and 2 Rwandan bishops, all Hutus, along with 10 priests. The RPF says the killers will be punished.

June 13—The RPF says it has captured the city of Gitarama. Officials of the self-declared government are now reportedly in Gisenyi, in the northwest.

June 14—At an Organization of African Unity meeting in Tunisia, the provisional government and the RPF agree to an immediate cease-fire; under the pact, Tanzania will oversee a return to the terms of the August 1992 peace accords.

June 15—A senior UN official reports that Hutu militia yesterday abducted and killed 60 Tutsis from the Ste.-Famille church complex in Kigali; the militiamen were said to be acting on orders of a local official. Tutsis say a letter from 6 Tutsis from the complex to the commander of the UN mission in Rwanda says almost 300 of the 4,000 refugees at the complex have been kidnapped and killed since April.

June 23—From a base in Zaire, France begins deploying 2,500 troops inside Rwanda in what it says is a humanitarian mission to halt genocide and help refugees. The RPF, which controls about two-thirds of Rwanda, says it regards the French as "invaders" providing relief to forces of the provisional government; France supported the previous Hutu regime. The UN Security Council yesterday approved the mission, 10 members voting in favor and 5 abstaining; the UN has agreed to deploy 5,500 peacekeepers in Rwanda.

July 4—French troops establish a base at Gikongoro in the southwest, 18 miles from Butare, Rwanda's 2d-largest city, which is today reported under RPF control after a 4-day offensive; the French say the base is intended to stop the advance of rebel forces, estimated to number about 15,000.

July 8—Shahryar Khan, the UN special envoy, says the RPF, the provisional government, and the French have agreed to a no-fighting zone that covers most of the territory still controlled by the government, in western Rwanda.

July 14—The RPF captures the major northwestern town of Ruhengeri. The Hutu leadership of the provisional government flees nearby Gisenyi for the French-controlled safe haven; French officials in Paris say that the haven is for civilians and that the leaders will not be welcome.

July 17—Aid authorities in the border city of Goma, Zaire, near Gisenyi, estimate the number of Rwandan refugees—most of them Hutus—who have arrived over the past 5 days at 1.2 million. Gisenyi is reported under RPF control.

July 18—The RPF declares victory, saying its troops have captured the entire country except for the French protection zone, and announces a cease-fire. An estimated 200,000 to 500,000 Rwandans have been killed since April, and 2.1 million have fled to Zaire, Tanzania, Burundi, or Uganda. Several ministers of the provisional government seek asylum in the French protection zone but are turned away and reported to UN authorities. Thousands of army troops have escaped into Zaire with their weapons.

July 19—The RPF installs a government, including Pasteur Bizimungu, a moderate Hutu and senior RPF official, as president; Faustin Twagiramungu, a Hutu named interim prime minister in the August 1993 peace accords, will be

prime minister; Paul Kagame, the front's military chief, is named vice president and defense minister.

July 21—Aid officials now put the total for Rwandan refugees at 4 million, 2 million in neighboring countries. Propaganda broadcasts by a Hutu militant radio station have advised Hutus to flee the French protection zone because the French would no longer protect them, and Hutu leaders have exhorted Hutus to accompany them into exile and plan to retake the country.

July 22—US President Bill Clinton orders the military to organize an airlift to refugee camps in Zaire; 1,500 troops are expected to participate.

July 24—Zaire reopens its border with Rwanda.

July 25—Aid officials estimate that 14,000 Rwandan refugees in camps in Zaire have died from cholera.

July 29—Clinton orders 200 American troops into Rwanda to open Kigali's airport, the country's largest, to aid flights.

SAUDI ARABIA

May 23—More than 250 Muslim pilgrims die in a stampede in Mecca that occurred as a crowd was trying to reach a sacred cavern.

SINGAPORE

May 5—An 18-year-old American resident, Michael Fay, is caned for acts of petty vandalism that he says he did not commit but confessed to after police beatings; US President Bill Clinton appealed for clemency for Fay in what became a cause célèbre.

SOMALIA

May 16—In Mogadishu, the capital, 5 UN peacekeepers from Nepal are killed as they try to halt fighting between clan militias; several Somalis are killed or wounded.

May 31—The UN Security Council votes to keep the 19,000 UN troops in Somalia there 4 more months.

June 25—In Mogadishu, fighting that began June 23 between militias loyal to Mohammed Farah Aidid and Mohammed Ali Mahdi is reported to have left 6 people dead and 68 wounded. A spokesman for Mahdi's United Somali Congress says Aidid's faction, the Somali National Alliance, breached a peace pact the country's 15 major clans agreed on in March.

July 22—*The New York Times* reports the death of 2 UN peacekeepers from Malaysia in stepped-up factional violence in Mogadishu earlier this week.

SOUTH AFRICA

April 13—Authorities report finding the decapitated bodies of 8 nonpartisan election workers killed 2 days ago in Ndwedwe, a town in KwaZulu homeland, in Natal province. About 190 people have been killed in Natal since March 31, when President F. W. de Klerk ordered 3,000 troops there because of intensifying violence before national elections scheduled for April 26–28.

April 19—The Zulu-based Inkatha Freedom party announces that it is dropping its planned boycott of the elections and that its name will appear on the ballot; Chief Mangosuthu Buthelezi, who heads Inkatha, led the party out of constitutional talks in July 1993 and formed an alliance with white separatists and black nationalists; the only remaining holdouts are a few white fringe groups and the Azanian People's Organization. Nelson Mandela, the leader of the African National Congress, and President F. W. de Klerk have promised that Goodwill Zwelethini will retain his status and government-provided budget as the largely ceremonial king of the Zulus, and that Inkatha's demands for more au-

tonomy for the provinces will go before foreign mediators after the balloting; some 20% of South Africans are Zulus.

In Cape Town, the apartheid-era parliament that excluded blacks from its 3 chambers and reserved most of the power for whites holds its last session.

April 26—Voting begins in contests for the national and the 9 provincial parliaments, in South Africa's 1st election open to blacks, who make up three-fourths of the population. The government has said it will deploy 100,000 police and thousands of army reservists at the polls. The constitution approved last November, establishing nonracial democracy and abolishing the apartheid-era "homelands" for blacks, takes effect at midnight.

April 27—Police announce the arrest of 31 white rightists charged with more than a dozen car bombings throughout the country earlier this week in which 21 people died and scores more were injured.

April 28—De Klerk approves a request from the Independent Electoral Commission to extend the voting to a 4th day in 6 rural regions, all former black homelands; these include Natal province, where conflict between the ANC and Inkatha has been concentrated.

May 7—Eight of the 9 legislatures elected last month in South Africa's new provinces hold opening sessions. The ANC has a majority in 6 of the 9 assemblies and is 1 vote shy in Northern Cape province; the ANC lost to Inkatha in Kwa-Zulu/Natal and to the white-dominated National party in Western Cape province.

May 10—Nelson Mandela, who served 27 years in prison before de Klerk ordered his release in February 1990, is inaugurated in Pretoria as South Africa's 1st black president. He was elected yesterday without opposition by the National Assembly, the new national parliament. Mandela's ANC captured more than 62% of the vote nationwide, and won 252 of 400 National Assembly seats.

May 11—The cabinet is sworn in; under the formula for the interim national unity government, the ANC was entitled to 18 ministerships, the white-dominated National Party to 6, and the Zulu-dominated Inkatha Freedom party to 3. ANC envoy Thabo Mbeki is the new vice president and 1st executive deputy president, while former president de Klerk, as head of the party that finished 2d in the balloting for the National Assembly, automatically becomes the other vice president. Inkatha leader Buthelezi is home affairs minister.

May 14—Gunmen kill 12 people in a house in Tokoza township; the house is near a workers hostel linked to Inkatha, though most area residents support the ANC.

May 20—A newspaper discloses that 2 days before the elections last month, President de Klerk signed an order transferring most of the land in KwaZulu, the Zulu "homeland," to a trust controlled by King Goodwill Zwelethini; Mandela says he knew nothing of the transfer, which involves about 3 million acres.

May 28—After a yearlong inquest in Johannesburg, Judge Neville Zietsman rules that the security forces, on army orders, killed Matthew Goniwe and 3 other antiapartheid workers in Eastern Cape province in 1985; the judge says for the 1st time that murdering political opponents was official policy for the white government, though he says he does not have enough evidence to name the perpetrators in this case.

June 10—The government reduces the sentences of virtually all prisoners by 6 months; the action follows 2 days of disturbances in at least 6 prisons over treatment by white guards; 2 people were killed and scores injured.

June 17—In Johannesburg, 2 members of the white-supremacist Afrikaner Resistance Movement are both given 4 death sentences for the killing of 4 blacks in December at a roadblock they set up west of the city; last month 6 other group

members were sentenced to death in the case. Executions have been suspended while the government reconsiders the death penalty.

SPAIN

May 4—In a spreading high-level financial scandal, Minister of Agriculture Vicente Albero resigns after acknowledging he owes about \$274,000 in taxes on undeclared income. Hours later, Mariano Rubio, the former governor of the central bank, and Manuel de la Concha, the former head of the Madrid stock market, are arrested for tax fraud. Interior Minister Antoni Asuncion resigned last weekend after ministry police failed to take into custody Luis Roldán, the ex-chief of the Civil Guard, who has been accused of tax fraud and of misappropriating more than \$3.5 million; Roldán is now a fugitive.

SUDAN

June 22—Former Prime Minister Sadeq al-Mahdi was arrested June 20 on charges that the Umma party, which he heads, was plotting to kill leading politicians and sabotage installations in Khartoum, *The New York Times* reports.

SWITZERLAND

June 12—In a referendum, 57% of voters reject a constitutional amendment that would have permitted Switzerland to contribute 600 troops to UN peacekeeping operations.

TOGO

April 4—President Gnassingbe Eyadema names as prime minister Edem Kodjo, the leader of the Togolese Union for Democracy and a former secretary general of the Organization of African Unity; Prime Minister Joseph Koffigoh's party was defeated in February parliamentary elections. Lawyer Yaovi Agboyibo's party won the largest number of seats in parliament, 33, while Kodjo's party, its junior partner in the winning coalition, took 7.

UKRAINE

April 4—Communists and allied candidates won 9 of 30 contested seats in parliament in a 2d round of voting held yesterday, the Interfax-Ukraine news agency reports.

April 12—Results from additional 2d-round parliamentary elections held April 10 show that Communists and their allies won 114 of the 339 seats filled, giving them control of the largest bloc in parliament; mainstream nationalists won 41 seats, the centrist Interregional Bloc of Reforms under former Prime Minister Leonid Kuchma only 4, and independents most of the others. In 111 races participation was less than the 50% required by law, so new balloting must be scheduled.

May 20—The parliament of Crimea restores a 1992 constitution that in effect gives the peninsula greater autonomy from Ukraine; the legislature and Crimean President Yuri Meshkov were elected in January on separatist platforms in an election allowed by Ukraine. Ukrainian President Leonid Kravchuk orders Crimea to reverse the action within 10 days.

May 26—The Crimean parliament overwhelmingly rejects Meshkov's nominees to head several key cabinet ministries, calling them "interlopers" from Moscow.

June 4—In Kiev, Ukraine and Crimea sign a communiqué that acknowledges Crimea is part of Ukraine and calls for a permanent joint committee to settle differences between the 2 parliaments.

- June 15—Kravchuk recommends to parliament that it appoint as prime minister Vitaly Masol, who served in the post from 1987 to 1990, saying he is the only candidate acceptable to the body's large Communist and socialist contingents; Masol advocates state control of the economy. Masol will replace acting prime minister Yukhim Zviahlsky, who was appointed by Kravchuk but never confirmed by parliament.
- July 10—In a presidential runoff held today, Kuchma wins 52% of the vote, defeating incumbent Kravchuk. Kuchma will be sworn in as Ukraine's 2d president July 19.
- July 30—Parliament votes to slow down economic reform by halting sales of state companies and tightening government control of privatization.

UNITED ARAB EMIRATES

- June 14—A court in Abu Dhabi sentences 12 former senior executives of the Bank of Credit and Commerce International, including the bank's founder and former chief executive officer, to jail terms ranging from 3 to 14 years; it also orders them to pay \$9 billion for their part in the transnational fraud that led to the bank's collapse in 1991.

UNITED KINGDOM

Great Britain

- May 6—A ceremonial opening is held for the 31-mile-long Eurotunnel under the English Channel, which links Britain and France; the privately financed tunnel cost \$15 billion.

Hong Kong

- June 30—The Legislative Council, the lawmaking body in the crown colony, approves Governor Christopher Patten's October 1992 proposal for widening the franchise for council elections. Beijing has strongly opposed the changes.

Northern Ireland

- May 22—Police have found the body of a murdered British soldier in Armagh, 35 miles southwest of Belfast, *The New York Times* says. Another soldier died in a bomb explosion May 15 at an army checkpoint in Keady. The IRA has claimed responsibility for both killings.
- June 18—In Loughlinisland, southeast of Belfast, members of the Ulster Volunteer Force, a Protestant paramilitary group, kill 6 Roman Catholics in a pub watching Ireland play in a televised World Cup soccer match. On June 16 gunmen from the Irish National Liberation Army, an Irish Republican Army splinter group, killed 2 Protestants in Belfast; the next day in the city, Protestant militants killed 1 Catholic and 1 Protestant mistaken for a Catholic. Forty-three people have died in politically motivated murders in the province this year.
- June 22—Political murders by Protestant paramilitary organizations have since late 1991 surpassed those by Catholic groups, *The New York Times* reports; last year Protestants killed 48 people and the IRA 38. British officials say the rise stems from feeling among Protestants that Britain, especially after last year's Downing Street Declaration, is abandoning the province to union with the Republic of Ireland, which is supported by most of the province's Catholics.
- July 11—Raymond Smallwoods, chairman of the Ulster Democratic party, a Protestant group, is killed in Lisburn; the IRA claims responsibility. Smallwoods served 7 years in prison for the attempted murder of Irish nationalist politician Bernadette Devlin McAliskey in 1981.
- July 24—Sinn Fein president Gerry Adams formally rejects the Downing Street Declaration on Northern Ireland's political future signed by the British and Irish governments; the

group has rejected the condition that it renounce violence before being invited to peace talks and also the document's pledge that the province's Protestant majority will not be forced into a union with Ireland.

UNITED STATES

- April 11—The Clinton administration announces it will impose trade sanctions against Taiwan because of Taipei's refusal to halt trade in products obtained from endangered tigers and rhinoceroses; the ban on all Taiwan wildlife products will affect about \$25 million of Taiwan's \$25.1-billion export trade with the US.
- April 21—Six members of Congress are arrested for staging a sit-in on the White House lawn to protest the administration's policy of forcibly repatriating Haitian refugees.
- April 22—A boat carrying 406 Haitian refugees is allowed to dock in Florida; the State Department says it allowed this landing because of illness and violence aboard the boat.
- Former President Richard Nixon dies in New York after suffering a stroke at age 81. Nixon was president from 1968 to 1974, when he resigned because of the Watergate scandal. Nixon's 1971 trip to China reopened bilateral talks and is considered the major achievement of his presidency.
- April 28—In Washington, FBI agent Aldrich Ames and his wife, Rosario, plead guilty to charges of spying for Moscow and tax evasion. Under a plea bargain agreement, Aldrich Ames is sentenced to life in prison, and Rosario Ames to 4 years.
- April 30—President Bill Clinton signs into law a bill to create Radio Free Asia and remove the limit placed on US arms sales to Taiwan in a 1982 agreement between the US and China.
- May 7—The administration announces it will allow asylum hearings for Haitian refugees to be held at sea—a change in its former policy of forcibly repatriating all Haitian refugees.
- May 8—Clinton names William Grey 3d his new adviser on Haiti; Grey, the president of the United Negro College Fund, is a former member of the House of Representatives.
- May 16—The US has returned 618 Haitian refugees to Haiti since announcing its new policy of allowing asylum hearings at sea, *The New York Times* reports.
- May 31—A federal grand jury indicts US Representative Dan Rostenkowski (D.-Ill.) on charges he misused government funds and the government payroll, traded post office stamp vouchers for cash, and tried to prevent a House employee from giving evidence before a federal grand jury.
- June 1—Jamaica agrees to allow US ships to anchor in Kingston Harbor so asylum hearings for Haitian refugees can be held on board.
- June 3—The Turks and Caicos Islands agree to allow the US to process Haitian refugees on their beaches.
- June 10—Clinton announces that as of June 25 commercial flights between Haiti and the US and financial transactions between the 2 countries will be banned; the financial ban will except funds Haitian expatriates wire to nonmilitary citizens in Haiti, with a limit of \$50 per transaction.
- June 13—In New York, Mohammed al-Khilewi, a Saudi Arabian diplomat at the UN, announces he is seeking asylum in the US. Khilewi says he is in danger because he can document Saudi Arabia's human rights abuses, donations to Hamas, support of terrorist groups, and embezzlement by Saudi Arabia's UN staff.
- June 17—The US grants political asylum to 6 Haitian refugees from a group of 35 picked up yesterday; this group was the first to seek asylum under the US policy inaugurated this month. Since 1991, the US has granted asylum to about 10,000 Haitian refugees, out of about 40,000 who fled Haiti by boat.

June 19—Administration officials report the US is attempting to persuade Haitian leaders Lieutenant General Raoul Cédras, Colonel Joseph Michel François, and General Philippe Biamby, to go into exile.

June 22—Clinton agrees to comprehensive talks with North Korea to begin next month in Geneva; North Korea told former President Jimmy Carter, who visited the country earlier this month on a private mediating mission, it would suspend its nuclear program temporarily in exchange for such talks.

June 29—Since June 26, the Coast Guard has picked up more than 3,000 Haitian boat people, *The New York Times* reports; in all of 1993, only 2,329 Haitians were stopped at sea.

The dollar drops to a postwar low against the yen; trading in New York closes at 98.8 yen to the dollar.

July 5—The US announces that Haitian refugees whose boats are picked up by the Coast Guard will not be given asylum in the US; instead, they will be given safe haven in Panama and other Caribbean countries.

July 15—The US severs relations with Rwanda; Clinton has said the provisional government has supported "genocidal massacre" in the country since April.

July 27—In St. Louis, 3 Palestinian immigrants plead guilty to racketeering charges in a plot to bomb the Israeli embassy in Washington.

VENEZUELA

April 27—President Rafael Caldera Rodríguez announces that the government will cut its budget by 10% and sell state industries, including the steel and aluminum conglomerate Corporación Venezolana de Guayana.

May 15—A banking scandal has forced the government to take over 9 banks, *The New York Times* reports. The bailout will cost Venezuela \$6.1 billion, or 11% of GNP. The banks, including the Banco Latino, the country's 2d-largest bank, used deposits for real estate and stock market speculation and multiple loans, and to help finance bank officers' expensive lifestyles.

May 18—Former president Carlos Andrés Pérez is arrested for alleged embezzlement and misuse of \$17 million in public funds. Pérez was impeached last year.

July 22—The government suspends some major constitutional freedoms a day after the Venezuelan congress had restored

them. Among the rights suspended are protection against arbitrary searches and arrests, the right to travel freely and hold private property, and protection against expropriation without proper reimbursement. President Caldera argues that his government needs the power to suppress "subversion" attempts destabilizing the nation.

YEMEN

April 28—Security officials report that troops loyal to the president, Lieutenant General Ali Abdullah Saleh, a northerner, have been fighting troops loyal to Vice President Ali Salem al-Beidh, a southerner, near the capital city of Sana. In 1990 the Yemen Arab Republic and the People's Democratic Republic of Yemen agreed to form a political union.

May 9—The rival armies of the president and vice president are fighting for control of the port city of Aden, the former southern capital, *The New York Times* reports; on May 7 Saleh demanded that Salem and his forces surrender.

May 11—Southern soldiers fire a Scud missile at Sana, killing 25 people in the city.

May 15—The UN confirms that 100 Somali refugees were killed May 4 when their refugee camp near Zingibar was caught in the crossfire between the northern and southern armies.

May 21—Southern Yemen secedes from Yemen.

May 22—Southern Yemen names Ali Salim al-Beidh president and renames itself the Democratic Republic of Yemen.

May 25—Southern Yemen announces it will attend peace talks if northern forces pull back to northern Yemen's pre-1990 borders.

June 19—Southern Yemen attacks the largest power station in Yemen, at Mocha; 19 people are killed and 45 wounded.

July 3—Northern troops continue to attack Aden; 17 people are killed.

July 7—Government radio reports that northern troops have captured Aden and claimed victory in the civil war.

July 16—The government closes Aden for a week and imposes a 10 P.M. curfew, reportedly to restore order and stop looting.

July 26—The government releases 4,000 prisoners of war from southern forces; it also announces a general amnesty for all southern soldiers. ■

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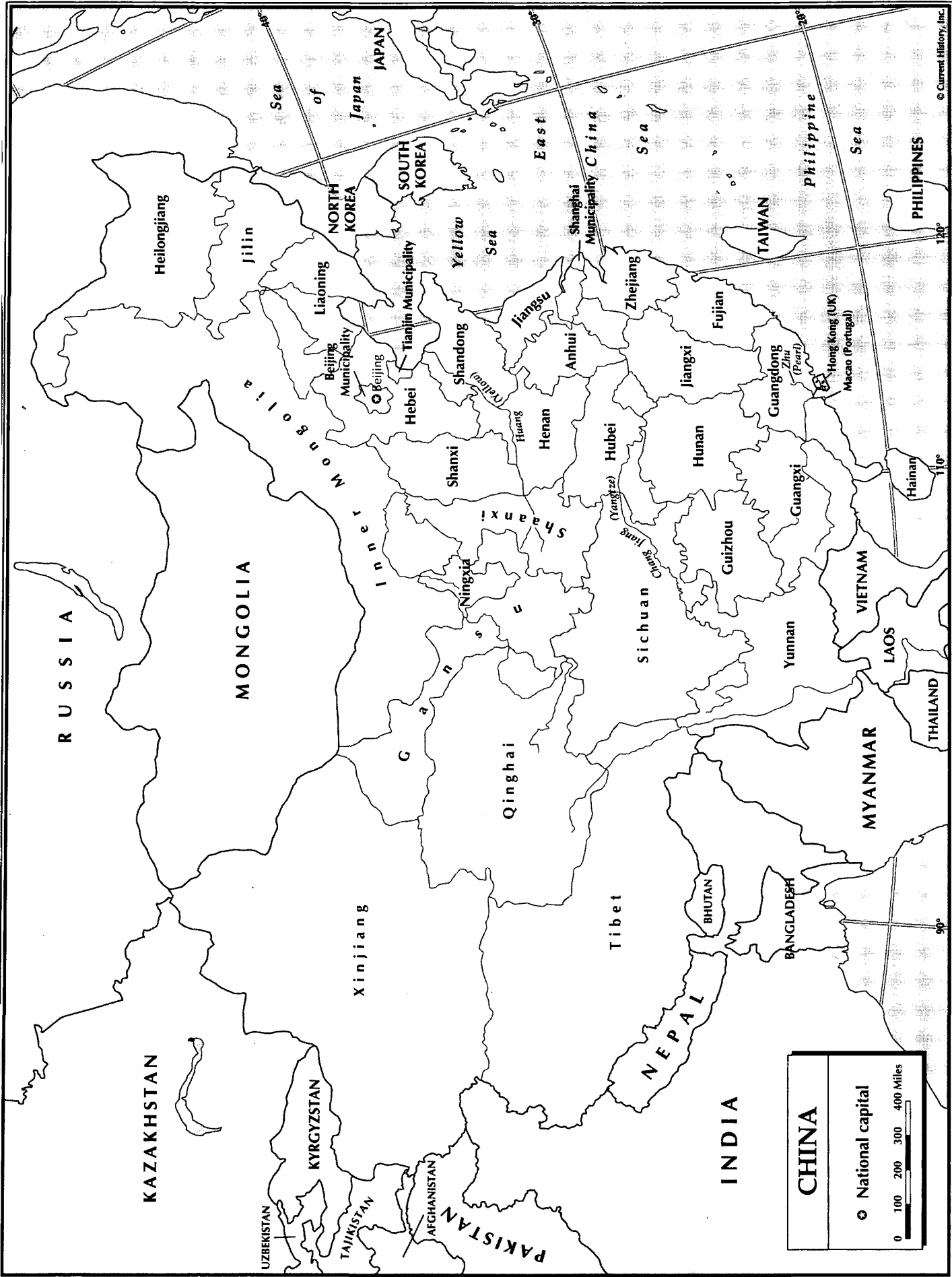
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